

ANNUAL REPORT 2017

บริษัทหลักทรัพย์ ซีบีที จำกัด (มหาชน)
Seamico Securities Public Company Limited

รายงานประจำปี 2560



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Message from Chairman and CEO

ZMICO'S 2017 PERFORMANCE

2017 was the abnormal year for ZMICO due to unfavorable performances of our flagship businesses under KT ZMICO and SOLARIS. Apart from sluggish retail trading volume which is main business of our brokerage joint venture with Krungthai Bank (KTB), KT ZMICO was impacted by bad debt provision in receivables in EARTH shares. Meanwhile SOLARIS, our fund management company, had to record impairment loss due to default payments from investment in high-yield debt securities. With this double impact, last year our consolidated net income was 9.87 million baht compared to 277.02 million baht in 2016.

Summary of performance of ZMICO's key businesses are as follows:

KT ZMICO

2017 was a very difficult year for brokerage business under KT ZMICO as well as for brokerage industry. Due to intense competition from new comers and declining in retail trading volume, KT ZMICO ended up with market share of 2.27% in 2017 compared to 2.57% in 2016. In addition, KT ZMICO also recorded bad debt provision amounting 102.07 million baht from KTB-referral large clients in EARTH shares. As a result, ZMICO recognized share of loss from brokerage business of 5.02 million baht. Albeit tough domestic environment, our cross-border businesses proved doing very well. Last year saw explosive growth in business from Vietnam market as number of account openings increased by more than 80% while value of our clients' portfolio surged by 6 folds. As per our slogan "Gateway to CLMVT Capital Market", KT ZMICO aims to deliver the best solutions to investors who want to gain investment exposures within these markets. Thus, this year KT ZMICO has introduced private fund focusing on Vietnam market. We believe this tailored-made service will eventually increase our clients' net worth. To cope with disruption from financial technology, we have integrated Fintech innovations into wealth management, stock trading and investment research to enhance our customer-centric service capable. Last year we have incorporated Setscope AI investment platform with our Znet application powering users for stock scanning and robo advisory. After that, KT ZMICO has developed "eZySmart Application" focusing on E-service with concept dubbed "Availability, Agility and Accessibility". Through our continuing Fintech initiatives, KT ZMICO aims to be the leading investment technology-cum-brokerage company.



SOLARLIS

In 2017 the default payments from investment in high-yield debt securities still impacted Solaris posting net loss of 124.09 million baht. Solaris is during the legal process to obtain a remedy. We expect to see positive outcome after the court conducts the trial of the case during the mid of this year.

DIRECT INVESTMENT

ZMICO's direct investment business in 2017 exhibited mixed results. Although our investment in health and wellness business under Absolute Yoga Co., Ltd. (AY) (30% holding) contributed share of loss for 6.96 million baht last year, we expect to see better performance in the near future. AY's net loss last year was mainly due to business restructuring as it transformed and renovated many outlets for further expansion especially in aboard. Despite insignificant shared earnings of 0.36 million baht from Scentimental (Thailand) Co., Ltd. (46% holding) who operates fragrance business, we look forward to see more progress as it has successfully launched new perfume products continuing from last year. We are still looking for new kinds of investment that we believe to create value to our shareholders.

2017 AWARDS AND RECOGNITION

Our major accomplishment last year was that ZMICO was one of the winners from SET Award 2017. The Company received "Outstanding Company Performance Award" for listed company with market capitalization of less than 3,000 billion baht.

Also, the Company has won an "Excellent" rating for the AGM 2017 assessed by the Thai Investors Association. The Company also earned a "Very Good" rating for the Corporate Governance 2017 assessed by the Thai Institute of Director (IOD).

Finally, the Company would like to thank our shareholders and other stakeholders for continuing to support us. We will honor that trust with our commitment and efforts to deliver better results in the future.



Suthep Wongvorazathe
Chairman



Chaipatr Srivisarvacha
Chief Executive Officer

Report of the Board of Directors' Responsibilities for Financial Statements

Seamico Securities Public Company Limited and its subsidiaries

The Board of Directors is responsible for the financial statements and the consolidated financial statements of the Company and its subsidiaries, which are reported in conformity with the generally accepted accounting principles of Thailand. These financial statements were prepared based on appropriate accounting policy with consistency, with adequate disclosures provided in the notes to the financial statements.

The Board of Directors has appointed an Audit and Risk Management Committee, which comprises of Independent Directors, to oversee the sufficiency and credibility of financial reports and evaluating the effectiveness of internal control and internal audit functions to ensure accurate, complete, adequate financial information and timeliness and prevention of frauds or any significant irregularities.

The Committee has expressed its opinions with regard to the stated matters in the Report of Audit and Risk Management Committee, which is presented in the annual report.

The Board of Directors is of the opinion that the internal control system of the Company is adequate and appropriate, and thus provides an assurance that the financial statements and consolidated financial statements of the Company and its subsidiaries including financial information for the year ended 31st December 2017 are reasonably reliable.



Chaipatr Srivisarvacha

Vice Chairman and Chief Executive Officer

Audit and Risk Management Committee Report present in Annual Report 2017

Seamico Securities Public Company Limited

The Board of Directors of Seamico Securities Public Company Limited appointed an Audit and Risk Management Committee, which comprises of 3 independent directors as follows:-

1. Mr. Peter Emil Romhild	Chairman
2. Mrs. Phornpun Phornprapha	Member
3. Dr. Tanasak Wahawisan	Member

The Committee has the important responsibility to review the Company's financial reports in order to ensure their accuracy and that they comply with accounting standards and the sufficiency of disclosure, to review the appropriateness and effectiveness of the internal control and audit systems, to review the transparency of management and their compliance with the Company's policies and all applicable laws and regulations, as well as to provide advice concerning the appointment of the Company's auditor and the proposed audit fee.

The Audit and Risk Management Committee held 4 meetings with the management, the head of Accounting and Finance department, the head of Compliance and Internal Audit department and the Company's external auditor to review the quarterly and annual financial statements for 2017 and the disclosure of financial reports and notes to the financial reports, regular discussions and recommendations concerning problems that might result in a violation of the applicable laws and regulations, as well as the sufficiency of the internal control system. Based upon the information provided to us, the Audit and Risk Management Committee is unaware of any instance which would lead us to believe that the financial reports have not been prepared in accordance with established accounting standards and fairly presented in all material respects. Connected transactions is undertaken with careful consideration of appropriateness and benefit to the Company. Furthermore, the Committee is of the opinion that the internal audit function, control system and risk management are satisfactory. We are unaware that significant laws and regulations have not been complied with in all material respects.

For 2018, the Audit and Risk Management Committee has proposed to the Board of Directors that Dr. Suphamit Techamontrikul, Mrs. Nisakorn Songmanee, Mr. Wonlop Vilaivaravit, Dr. Kiatniyom Kuntisook, of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited be nominated as the Company's auditors at the annual general meeting of shareholders.

On behalf of the Audit and Risk Management Committee,



(Mr. Peter Emil Romhild)

Chairman, Audit and Risk Management Committee

Board of Directors



Mr. Suthep Wongvorazathe

- Authorized Director
- Chairman
- Chairman of Investment Committee
- Chairman of Nominating and Compensation Committee



Mr. Chaipatr Srivisarvacha

- Authorized Director
- Vice Chairman
- Chief Executive Officer
- Member of Investment Committee



Mr. Pinit Puapan

- Authorized Director
- Managing Director
- Member of Investment Committee



Asst. Prof. Pimol Srivikorn

- Director
- Member of Investment Committee
- Chairman of Corporate Governance Committee



Mr. Peter E. Romhild

- Independent Director
- Chairman of Audit and Risk Management Committee
- Member of Nominating and Compensation Committee



Mr. Peter J. Emblin

- Independent Director
- Member of Investment Committee
- Member of Nominating and Compensation Committee



Dr. Tanasak Wahawisan

- Independent Director
- Member of Audit and Risk Management Committee



Mr. Jesadavat Priebjivat

- Independent Director
- Member of Corporate Governance Committee



Mr. Supachai Wongvorazathe

- Director
- Member of Investment Committee



Mrs. Phornpun Phornprapha

- Independent Director
- Member of Audit and Risk Management Committee

GENERAL INFORMATION

Name	Seamico Securities Public Company Limited
Address	287 Liberty Square Building 18 th Floor, Silom Road, Bangrak, Bangkok 10500
Type of Business	Securities Business
Registration No	0107537002460
Website	www.seamico.com
Telephone	+66 2 624 6399
Fax	+66 2 624 6398
Paid-up shares	1,307,736,926 shares
Par value	Baht 0.50 each
Type of shares	Ordinary share

Juristic Persons in which the Company Holds Shares Equal to or in Excess of 10%

Company Name	Address	Type of Business	Type of Share	No. of Issued Shares	No. of Shares Held	Investment Value (million baht)	Shareholding Percentage
Subsidiary							
Solaris Asset Management Company Limited	8 th Floor, 287 Liberty Square Building, Silom Road, Bangrak, Bangkok	Mutual Fund, Private Fund and Provident Fund Management	Ordinary	22,800,000	22,800,000	173.05	100.00
Lumpini Asset Management Company Limited	18 th Floor, 287 Liberty Square Building, Silom Road, Bangrak, Bangkok	Purchasing or taking transfer and managing of non-performing assets of financial institutions	Ordinary	2,500,000	2,500,000	25.00	100.00
Associate Company							
KT ZMICO Securities Company Limited	16 th Floor, 287 Liberty Square Building, Silom Road, Bangrak, Bangkok	Securities	Ordinary	259,127,200	128,801,600	1,244.10	49.71
Scentimental (Thailand) Company Limited	14 th Floor, 26/51 Orakarn Building, Soi Chidlom, Ploenchit Road, Lumpini, Pathumwan, Bangkok	Import Export Retail and wholesale perfume and cosmetics	Ordinary	30,000,000	1,380,000	13.80	46.00
Absolute Yoga Company Limited	496-502 Room number 01-04, 11 th Floor, Amarin Plaza Building, Ploenjit Road, Lumpini, Pathumwan, Bangkok	Yoga Studio, food and hotel business	Ordinary	60,000,000	1,800,000	217.80	30.00
Other							
Thanh Cong Securities Joint Stock Company	5 th Floor, 194 Nguyen Cong Tru Street, Nguyen Thai Binh Ward, District 1 Ho Chi Minh City, Vietnam	Securities	Ordinary	36,000,000	6,796,500	156.02	18.88
Advance Finance Public Company Limited	40 th Floor, CRC Tower, All Seasons Place 87/2 Wireless Road, Lumpini, Pathumwan, Bangkok 10330	Finance	Ordinary	10,000,000	1,000,000	160.00	10.00
BCEL Krungthai Securities Company Limited (invested by KT ZMICO Securities Company Limited)	7 th Floor, Stock Market Building, Khampaengmouang Road, Xaysettha District, Vientiane Capital, Lao PDR	Securities	Ordinary	1,000,000	300,000	115.52	30.00
KTZ Ruby Hill Securities Co., Ltd. (invested by KT ZMICO Securities Company Limited)	No.07-06 (Level-7) Union Financial Centre Corner of Maharbandula Road and Theinphyu Road Botahtaung Township, Yangon, Myanmar	Securities	Ordinary	1,502,667	738,568	204.67	49.15

THE REFERENCES

(a) Share Registrar

Thailand Securities Depository Company Limited
 93 Ratchadaphisek Road, Dindaeng, Dindaeng
 Bangkok 10400, Thailand
 Tel: +66 2 009 9000 Fax: +66 2 009 9991

(b) Auditor

- Mr. Chavala Tienpasertkit Certified Public Accountant (Thailand) No. 4301 and/or
- Mr. Wonlop Vilaivaravit Certified Public Accountant (Thailand) No. 6797 and/or
- Dr. Suwatchai Meakhaamouychai Certified Public Accountant (Thailand) No. 6638 and/or
- Mrs. Nisakorn Songmanee Certified Public Accountant (Thailand) No. 5035

Deloitte Touche Tohmatsu Jaiyos Audit Company Limited
 AIA Sathorn Tower, 23rd - 27th Floor
 11/1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
 Telephone: +66 2 034 0000 Fax: +66 2 034 0100

(c) Banks

- Krungthai Bank Public Company Limited
- The Siam Commercial Bank Public Company Limited
- RHB Bank Berhad
- Bangkok Bank Public Company Limited

(d) Legal Advisor

- Siam Premier International Law Office Limited
 26th Floor of the Offices at Central World,
 No. 999/9 Rama I Road, Khwaeng Pathumwan, Khet Pathumwan, Bangkok 10330
 Telephone: +66 2 646 1888 Fax: +66 2 646 1919
 - Patanasith Law Office
 550/36 Soi Po-pun, Asoke-Dindaeng Road Dindaeng, Bangkok 10310
 Telephone: +66 2 246 6061 Fax: 66 2 641 8267
-

Summarize of Financial Information

Million Baht

Description	Million Baht		
	2017	2016	2015
Total Assets	3,212.12	3,339.08	3,500.71
Paid-up Share Capital	653.87	653.87	653.87
Total Shareholders' Equity	2,356.94	2,674.65	2,335.76
Securities Business Income	276.32	160.70	128.83
Securities Business Expenses	5.39	42.77	40.45
Net Income	9.87	227.02	59.62
Profitability Ratio			
Gross Profit Margin (%)	98.05	73.38	68.60
Net Profit Margin (%)	3.59	64.24	23.96
Return on Equity (%)	0.40	9.28	2.49
Return on Investment (%)	18.48	4.20	1.94
Efficiency Ratio			
Return on Total Assets (%)	0.29	6.90	1.96
Asset Turnover (Times)	0.08	0.05	0.05
Financial Policy Ratio			
Liquid Assets to Borrowing (Times)	1.82	3.33	1.84
Earning Assets to Borrowing (Times)	4.02	6.07	3.09
Liquid Assets to Total Assets (%)	38.32	46.66	50.88
Earning Assets to Total Assets (%)	84.68	85.08	85.49
Debt to Equity (Times)	0.36	0.25	0.50
Payout Ratio (%)	449.33	75.00	70.14
Others Ratio			
Investment in Securities to Total Asset (%)	33.92	42.19	44.99
Net Capital Rule (NCR) (%)	NA**	NA**	N/A**
Per Share			
Book Value (Baht)	1.80	2.05	1.79
Earning Per Share (Baht)	0.008	0.174	0.046
Dividend Per Share (Baht)	0.05	0.10	0.09
Per Value (Baht)	0.50	0.50	0.50

** Since May 1, 2009, The Company has been approved to temporarily cease its operation on securities and derivatives business from the Securities and Exchange Commission, therefore the Company is not required to maintain its net liquid capital.

Business Policy & Overview

Currently, Seamico Securities Public Company Limited operates business as an investment advisory under the securities business license which was approved by the Securities and Exchange Commission. Regarding to securities business, the Company has operated through its associated company namely “KT ZMICO Securities Company Limited”. Besides, the Company has invested in many potential businesses to generate additional revenues.

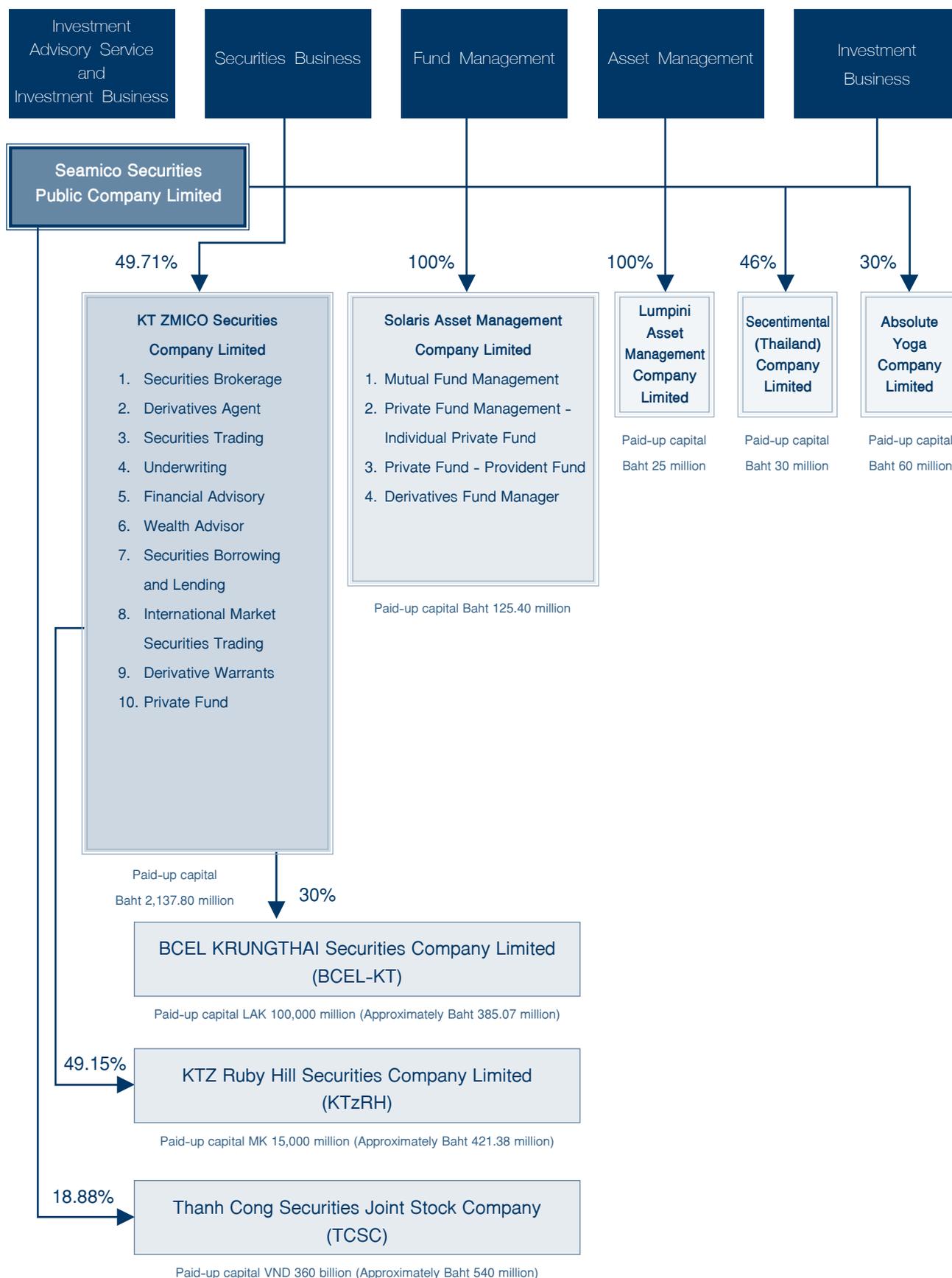
- Securities Business in CLMV consist of
 - Expand securities business in Vietnam by holding Thanh Cong Securities Joint Stock Company's shares as 18.88% of outstanding shares.
 - Laos through accompanying KTZMICO with Banque Pour Le Commerce Extérieur Lao Public to establish BCEL KRUNGTHAI (BCEL-KT); 30% of KTZMICO holding.
 - Myanmar through accompanying KTZMICO with Ruby Hill Finance Company to establish KTZ Ruby Hill Securities (KTzRH); 49.15% of KTZMICO holding.
- Expand asset management business by holding 100% of Solaris Asset Management Company.
- Investment in other business by holding 100% of Lumpini Asset Management Company which purchased, transferred, and managed of non-performing assets (NPA) of financial institution.
- Other Potential Business
 - Scentimental (Thailand) Co., Ltd., the company holds exclusive rights of developing, marketing, selling and distribution of celebrities' perfumes both in Thailand and international markets. They are also a distributor of global leading fragrance brands. In the future, they planned to extend its product into cosmetics and skincare products. In addition, they will expand the market to Myanmar, Indonesia, Cambodia, Philippines and Vietnam. The Company's shareholding in Scentimental is at 46%.
 - Absolute Yoga Co., Ltd., the holding company operates in health and wellness business under “Absolute You” brand. The company holds an investment companies as following;
 - 1) Absolute Pilates Co., Ltd., operates yoga and pilates studio business, having more than 14 years of track record. It currently operates 10 branches; 9 in Bangkok and 1 in Phuket. In the second half of last year, it introduced “Rhythm Cycling” indoor spinning exercise which is now very popular in the US and Europe.
 - 2) Absolute Sanctuary and Yoga Center (Koh Samui) Co., Ltd., a boutique wellness resort with comfort facilities. The resort offers wide range of programs designed by specialist e.g., detox, spa, weight management and anti-stress suit which suiting for guests who need to refresh revitalize and rejuvenate.

- 3) Absolute Fit Food Co., Ltd., healthy food delivery using high quality ingredients and rich nutrition with low calories. The programs are developed suiting for various health targets e.g. weight management, anti-aging program.
- 4) Absolute You Management Asia Co., Ltd, engaging in an offshore management and franchising business with respect to products and services of the group.

Business Overview

Business operations of the Company, Subsidiaries and Associated Company are as follows:

- 1) Investment Advisory Service and Investment Business under Seamico Securities Public Company Limited
- 2) Securities Business under KT ZMICO Securities Company Limited, BCEL-KT Securities Company Limited, KTZ Ruby Hill Securities Company Limited and Thanh Cong Securities Joint Stock Company
- 3) Fund Management Business by Solaris Asset Management Company Limited.
- 4) Asset Management Business by Lumpini Asset Management Company Limited



Nature of Business

Consolidated Revenue Structure

	2017		2016		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Fees and Services Income Asset Management	27.38	9.94	103.54	29.30	108.94	43.78
Gain on investment	231.29	83.98	36.58	10.35	8.29	3.33
Interest and dividend income	17.65	6.41	20.58	5.82	11.59	4.66
Share of profit (loss) from investment in associates	(5.02)	(1.82)	187.80	53.14	89.57	36.00
Gain on transfer of business to an associated company	0.06	0.02	0.06	0.02	0.06	0.02
Other income	4.04	1.47	4.85	1.37	30.39	12.21
Total revenues	275.40	100.00	353.41	100.00	248.84	100.00

TYPES OF BUSINESS

1) Investment Advisory Business and Investment Business

Seamico Securities Public Company Limited operates business as an investment advisory under the securities business license which was approved by the Securities and Exchange Commission. Besides, the Company has invested in many potential businesses in Thailand and overseas to generate additional revenues.

2) Securities Business

Provide securities business under KTZMICO since May 1, 2009. KTZMICO was granted license by the Ministry of Finance and the Securities and Exchange Commission of Thailand (SEC) to engage in business activities related to the securities industry. As at December 31, 2017, KTZMICO encompasses 18 branches, with 7 branches in Bangkok and 11 branches in upcountry.

The Company has expanded its securities business to Laos through BCEL Krungthai Securities (BCEL-KT). BCEL-KT, a joint venture between BCEL bank and KTZMICO

KTZMICO is definitely positioning to be "Gateway to CLMV" and plans to offer financial service coverage into Vietnam, Laos, Myanmar and Cambodia. KTZMICO can penetrate the market and makes a relationship with CLMV countries. It makes KTZMICO specialized in this region and has network in almost all countries.

In December 2015, the company has expanded its securities business to Myanmar through KTZ Ruby Hill Securities company Limited ("KTzRH"), a joint venture between Ruby Hill Finance Company and KTZMICO.

3) Fund Management Business

Solaris Asset Management ("S-Funds") provides fund management services for clients both public and individual.

4) Asset Management Business

The core business of the asset management company is purchasing or accepting transfer of non performing assets including their collaterals from financial institutions for the purposes of managing or reselling.

1. Investment Advisory Business and Investment Business

Seamico Securities Public Company Limited operates business as an investment advisory under the securities business license which was approved by the Securities and Exchange Commission. Regarding to securities business, the Company has operated through its associated company namely “KT ZMICO Securities Company Limited”. Besides, the Company has invested in many potential businesses to generate additional revenues.

- Expand fund management and securities businesses into neighboring countries to capture the surging capital inflows into CLMV. In addition to the Company’s investment in Thanh Cong Securities Joint Stock Company (TCSC) in Vietnam in 2009, the Company expanded its securities business to Laos under BCEL-KT, a joint venture between KTZMICO and BCEL. As of December 31, 2010, KTZMICO held 30% of share capital (1 million registered shares, paid-up 30%, par at 100,000 kip) with an initial investment of Baht 33.93 million from paid-up capital of Baht 113.10 million. In November 2011, KTZMICO paid the remaining 70% of unpaid-up capital, making the total investment increase to Baht 115.52 million. BCEL-KT is one of the first two securities companies in Laos. In addition, in 2015, KTZMICO expanded its securities business to Myanmar through KTZ Ruby Hill Securities company Limited (“KTzRH”) holding by the portion of 49.15%, total investment cost of Baht 204.67 million. The KTzRH started operating in March 2016.
- Increase returns by seeking opportunities to co-invest in high growth potential business. The Company has created an investment committee, comprising of committee members who have well-knowledge in joint venture, to scrutinize and impose investment policies through investment division which searches for business opportunities and possibility of co-investment aiming to get the highest return with the lowest risk. The Company also diversifies the business risk by making a joint venture in a company whose management team has more than 20 years of experiences.

2. Securities Business

After the merger, KTZMICO’s securities business can be divided into the following categories:

Securities Brokerage

KTZMICO provides a comprehensive range of quality services to local and foreign clients both individual and institutional investors by highly experienced marketing officers and research teams giving investment advices on both fundamental and technical basis.

The types of services offered include:

1. Cash Accounts and Cash Balance Accounts
2. Credit Balance Accounts
3. Internet Accounts - Securities trading via internet

KTZMICO provides useful information on its website, www.ktzmico.com, to help clients with their decision-making. KTZMICO applied many trading programs for investors from both in-house developed and outsources such as Znet Plus, Streaming and eFin Trade Plus. The trading programs enable clients to trade securities via Notebook, Tablet and Smartphone and supports Android, IOS Phone operating systems. KTZMICO is also developing web base trading platform as an analysis tools such as Stock Simulation Program.

KTZMICO acknowledge the significant in technology especially in Financial Technology (Fintech) which led to continuously developed Znet Program functions in order to satisfy customers by create more opportunities for investors in investment decision. The recommended functions consists of

- Advance Alert and Auto Trade
- Quick Sell
- DCA (Dollar Cost Average)
- Setscope and Stock Radar
- eZySmart Application via smart phone
- ZNet Simulation

KTZMICO has been recognized as a market leader in providing institutions with broker-assisted, online, and direct market access trading of securities.

KTZMICO and Krung Thai Bank have continually participated in The Stock Exchange of Thailand (SET) campaign "One for All - A simple way to trade online via banks," which aimed at increasing convenience for internet banking. The campaign was a huge success, enabling KTB-investors to trade via www.ktb.co.th

KTZMICO continually provides loan for clients which contribute to the increasing of KTZMICO's trading volume. As at end of 2017, KTZMICO's outstanding credit balance loan was Baht 5.0billion decreased from Baht 6.7 billion as at end of 2016. This business of providing loans to clients has been financed by KTB, a major shareholder.

KTZMICO manages risks by reviewing credit lines in accordance with Risk Management's protocols. KTZMICO has a high level of quality control made possible by closely monitoring clients' trading transactions, limiting investment proportions and reviewing whether the clients should be called for more collateral. In case of a default payment, the operation services department will follow up so that payments are made in full.

Market Share

Million Baht	2017	2016	2015
SET & MAI Market Turnover	12,227,748	12,816,259	10,765,469
SET & MAI Market Turnover (exclude Proprietary Trading)	10,949,603	11,468,573	9,774,699
KTZMICO's Trading Volume	497,631	588,475	546,712
KTZMICO's Market Share (exclude Proprietary Trading)	2.27%	2.57%	2.80%
Rank	22	19	14

Market Turnover for 2017 was Baht 10,949,603million; trading volume of KTZMICO was Baht 497,631 million, accounting for 2.27% market share.

Securities' trading volume and the percentage of the top 10 clients is shown below:

	2017		2016		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Top 10 Securities Trading Clients	87,825	17.65	110,396	18.76	83,061	15.20

The majority of KTZMICO's clients are local retail investors who trade on cash basis. The proportion of client types is shown in the table below:

Clients Proportion	2017	2016	2015
Retail : Institution	88:12	89:11	92 : 8
Local : Foreign	95:5	93:7	95 : 5
Cash Account : Credit Balance	79:21	78:22	83 : 17

Policy on opening new accounts

KTZMICO has established a policy regarding to the opening of new accounts based on our "Know Your Client" principle. This involves providing significant and adequate information required from an applicant in terms of investment objective, investment risk knowledge, experience and investment history. In order to assess whether to approve a credit line, a client's financial status as well as settlement ability is examined in order to prevent or limit any loss that might occur. KTZMICO have delegated employees with the authority to approve loans subjected to a credit line's risk level. KTZMICO has also established a procedure to review credit lines on a regular basis to keep track of a client's trading and settlement history and to ensure that client data is kept up to date.

- **Derivatives Agent Business**

After the merger in May 2009, KTZMICO started operating as a derivatives agent and offer all exchanged-traded derivatives products, namely, SET50 Index Futures, SET50 Index Options, Single Stock Futures, 50 Baht Gold Futures, 10 Baht Gold Futures, Sector Index Futures, Silver Futures, RSS3 Futures, Crude Oil Futures including USD Futures.

In 2017, trading volume of KTZMICO was 4,150,057 contracts, accounting for 2.63% market share.

	2017	2016	2015
No. of Contracts - TFEX	78,990,574	69,576,164	48,538,899
No. of Contracts - Company	4,150,057	3,490,411	3,972,358
Market Share	2.63%	2.51%	4.09%
Rank	14	13	9

As KTZMICO emphasizes on expanding its investor base in the derivatives market, “Derivatives Department” was formed to educate investors. It provides variety of training courses related to derivatives instruments to its clients, employees and general investors and also regularly takes part as an educator in seminar events and conferences organized by TFEX. Moreover, KTZMICO also started publicizing its daily derivatives research papers for both fundamental and technical research.

- **Securities Borrowing and Lending**

KTZMICO conducts Securities Borrowing and Lending business to expand investment alternatives for clients during the economic recession. Stock lender can generate return (borrowing fee) from existing shares which they offer for lending at call or term. While stock borrower do short selling in credit balance account by paying borrowing fee to the lender at the rate base on KTZMICO’s announcement.

Securities Borrowing and Lending (SBL) has been growing in demand with the development of the securities market. KTZMICO provides the service as an alternative investment and also for clients to hedge against market fluctuations. KTZMICO serves as a principal for securities listed in the SET100 Index. In 2017, KTZMICO still plans to continually expand its KTB’s customer base.

- **Derivative Warrants (DW)**

KTZMICO began offering Derivative Warrants (DW) for the first time in December 2010. In 2017 KTZMICO slow down issuance Derivative Warrants which offer 1 DW due to the process of DW website development in order to prepare DW information that offered in the market, analysis report, news and knowledge in DW investment. KTZMICO launched DW website “www.ktzdw18.com” in 11 January 2018.

KTZMICO plans to offer complex financial products such as Structured Notes.

- **Securities Trading**

KTZMICO invests and trades in securities with the objective of generating additional income and has a policy of investing in high-return securities. KTZMICO defines its policy in compliance with the SEC regulations, which cover important policies as follows:

- Policy concerning authorized persons for securities dealing.
- Policy on risk management.
- Policy on preventing conflicts of interest.
- Policy on compliance.
- Policy on proper capital allocation to each security.
- Policy on the investment objectives and expected return targets compared with benchmark returns.

In 2017, investments in securities were classified into 2 categories:

- 1) Investments in equity securities including listed securities and unit trust to support securities business expansion, and hedging portfolio.
- 2) Investments in debt which have optimum returns issuance by Government, Corporate with a credit rating of BBB- or higher with maturity more than 1 year or Corporate with a credit rating of BB- or higher with maturity less than or equal to 1 year as approved by the Executive Committee.

- **Underwriting Business**

KTZMICO offers a full range of financial advisory services, including the sale of securities products. KTZMICO acts as a financial advisor and subsequently adopts the role of underwriter. KTZMICO joins with financial institutions and other securities companies in offering a variety of securities products, including government bonds, state enterprise bonds, common shares, preferred shares, debentures and convertible debentures. KTZMICO is actively engaged in the underwriting business and has extensive experience in the role of lead and co-underwriter, underwriter and selling agent.

Revenue from underwriting business as the following:

	2017	2016	2015
No. of clients	29	24	21
Underwriting Value (Million Baht)	7,368.30	4,938.13	7,389.87
Fee Charged (Million Baht)	82.12	20.54	102.24

- **Financial Advisory Business**

KTZMICO offers a number of financial advisory services, including issuing equity instruments through initial public offerings, private placements, convertible debentures, rights issues and debentures with warrants, new listings on the SET and the MAI, mergers and acquisitions services, firm valuation, source of fund providing, business restructuring and other financial advisory services.

KTZMICO has been a member of Oaklins the world's leading international M&A network with over 40 member firms worldwide, to broaden investment banking business. Currently, KTZMICO acts as a financial advisor in several M&A deals.

KTZMICO is positioning itself as the gateway to CLMV. It already expanded its business to Laos through BCEL Krungthai Securities (BCEL-KT), a joint venture between BCEL bank and KTZMICO. It acts as the financial advisor to BCEL-KT and underwriter of EDL Generation, the first initial public offering in Laos. KTZMICO is confident that being able to establish a strong foothold in Laos marks the first step in realizing its goal as the gateway to CLMV.

In addition, KTZMICO has received a securities license in Myanmar from the Government of Myanmar ("GOM"). KTZMICO was the only securities company from Thailand to win a brokering license and competed with one another on the basis of service. The company is being issued ahead of the launch of the Yangon Stock Exchange. It has expanded its securities business to Myanmar through KTZ Ruby Hill Securities company Limited ("KTzRH") holding by the portion of 49.15%, the joint venture of locally-owned Ruby Hill Finance Company and started operating in March 2016

Revenue from financial advisory services is shown below:

(Million Baht)	2017	2016	2015
Revenue	33.68	85.79	61.04

- **Wealth Advisor**

KTZMICO established wealth advisory services to serve clients in terms of wealth creation, wealth accumulation, wealth preservation and wealth distribution according to their financial objectives, status and expected return with an acceptable risk. KTZMICO provides one stop service to fulfill clients' financial goals through variety of financial products such as Equities, Fixed Income, Derivatives and Offshore Investments to ensure a diversified portfolio, with either direct investments or mutual funds. KTZMICO was a unit trust selling agent, before being approved by the SEC to be a selling agent for omnibus account. It currently covers 17 Asset Management Companies. At the end of December 2017, Asset under management was Baht 3,772 million. Moreover, KTZMICO continues acted as a participating dealer in ETF Fund.

- **Private Fund**

In 2012, KTZMICO was approved by the Securities and Exchange Commission to operate private fund. With the cooperation and supports of KTB, a major shareholder, the business starts operating since the late of year 2012. At the end of December 2017, net asset value of private fund was Baht 455 million.

- **International Market Securities Trading**

KTZMICO provides service on international market securities trading (offshore) with the objectives of seeking a better return than investing in the domestic market and to diversify risks. Currently, KTZMICO offers securities trading in several major securities markets such as the U.S., Hong Kong, and Singapore. In the past year, investors' response to the Vietnam's Stock Exchange that is Hochiminh Stock Exchange (HOSE) and Hanoi Stock Exchange (HNX) and Lao Securities Exchange (LSX) has been overwhelming.

In addition to KTZMICO's efficient trading systems, KTZMICO also ensures the reliability and efficiency in the international settlements by appointing highly reputable global institutions as agent. This is to assure clients of KTZMICO's settlement capabilities that are on par with international practice providing high efficiency and security in offshore trading.

INDUSTRY OUTLOOK AND COMPETITION

Overall market in 2017 and 2018 outlook

The overall stock market in 2017 accelerated well with the SET Index gaining by 13.7%. The improving stock market was driven by better-than-expected economic growth, especially in terms of the export sector. In addition, the global economy grew well, prompting investors to increase exposure on risk assets. However, the sharp rally of the SET Index resulted in heavy net selling by foreign investors in the last quarter. Hence, in 2017 foreign investors net sold Thai stock market at around 26 billion baht. Regarding the Thai fixed income market, the market saw heavy foreign capital inflows of 220 billion baht, resulting in appreciation of the Thai baht by around 8.8% in 2017.

For the 2018 outlook, the stock market is likely to continue gaining, driven mainly by investment flows of domestic investors. Meanwhile, foreign investors may not return yet as the general election has been postponed to early 2019. We expect continuing growth in the Thai and global economies to remain the major market catalyst for 2018. Note that we project Thai economic growth at 4.2% in 2018 versus 3.9% in 2017. Moreover, the earnings growth of listed firms for 2018 is also likely to improve from the growth seen in 2017, which will be another supportive factor for the stock market.

Market capitalization and market turnover

	Average market capitalization (million baht)	Growth YoY (%)	Total market turnover (million baht)	Growth YoY (%)	Average daily market turnover (million baht)
2007	5,897,591	12%	4,271,820	7%	17,436
2008	5,422,512	-8%	3,981,230	-7%	16,118
2009	4,684,108	-14%	4,428,979	11%	18,226
2010	6,901,687	47%	7,033,947	59%	29,066
2011	8,429,008	22%	7,191,481	2%	29,473
2012	10,102,932	20%	7,914,567	10%	32,304
2013	12,790,231	27%	12,330,669	56%	50,329
2014	13,401,318	5%	11,139,291	-10%	45,466
2015	14,125,607	5%	10,765,470	-3%	44,302
2016	14,129,420	0%	12,816,259	19%	52,526
2017	16,281,028	15%	12,227,748	-5%	50,114

Source: Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), KT ZMICO

The SET's market turnover decreased by 5% YoY in 2017 and the average daily turnover stood at 50,114 million baht, down from 52,526 million baht seen in 2016. Looking ahead to 2018, we expect the average daily turnover to increase from the level seen in 2017 driven by ongoing economic recovery, with expected growth of 4.2% versus 3.9% in 2017. The economic growth for 2018 is expected to be driven by the continuing growth in both domestic and external demand, which will give some room for the Bank of Thailand to raise its policy interest rate slightly in 2018. Major risks will come mainly from external factors, e.g., uncertainty over US trade and economic policies, the tightening monetary policies of major central banks, geopolitical risks, fluctuations in commodity prices, etc. Finally, the progress on the Thai general election is another key factor to watch.

The funding activities through the capital market in 2017 improved from 2016, with 39 initial public offerings (IPOs) (i.e., 22 IPOs in the SET and 17 IPOs in MAI) versus 24 IPOs in 2016. For 2018, the number of IPOs is expected to increase from 2017 as the economy is projected to recover going forward.

In 2017, the investor mix in the stock market continued to change as it has since 2014. The proportion of retail investors dropped to 48% of the total turnover in 2017 versus 62% in 2014. On the contrary, the proportion of foreign investors increased significantly to 30% in 2017 versus 20% in 2014. Meanwhile, the proportion of local institutional investors and brokerage firms' proprietary trading increased slightly to 11% versus 9% seen in 2014. Finally, internet trading in 2017 comprised 33% of total trading volume, down from 37% in 2014. This decrease may have been attributable to the continued increase in foreign investors during the year.

Key market statistics

	2017	2016	2015
SET Index	1,753.71	1,542.94	1,288.02
Total market turnover (Million Baht)	12,227,748	12,816,259	10,765,470
SET	11,652,311	12,259,772	9,997,372
MAI	575,437	556,487	768,098
Average daily market turnover (Million Baht)	50,114	52,526	44,302
SET	47,755	50,245	41,141
MAI	2,358	2,281	3,161
Average daily market turnover (exclude proprietary trading) (Million Baht)	44,875	47,002	40,225
Average daily market turnover of proprietary trading (Million Baht)	5,238	5,524	4,077
Number of newly listed companies (IPOs)	39	24	36
SET	22	11	23
MAI	17	13	13
Internet trading value (Million Baht)	3,989,387	4,473,664	4,076,975
Internet trading/ total market turnover (%)	33%	35%	38%
No. of brokerage firms offering internet trading	31	31	31
Investor breakdown by types			
Retail investors	48%	54%	59%
Domestic institutional investors	11%	10%	10%
Proprietary Trading	11%	10%	9%
Foreign investors	30%	26%	22%
Total	100%	100%	100%

Source: Stock Exchange of Thailand (SET), The Securities and Exchange Commission (SEC), KT ZMICO

Industry overview and competition

The overall market environment in 2017 showed a continuation of intense competition. As for a major change in the industry, two new brokerage firms opened during the year:

- 1) Merchant Partner Securities Plc. (Broker No. 21, under the ticker MERCHANT) started its security brokerage services in June 2017. The major shareholder is Merchant Partner Co. Ltd.
- 2) GMO-Z Com Securities (Thailand) (Broker No. 10, under the ticker Z) is an online securities firm from Japan, commencing operations in November 2017 to provide online securities trading service. The major shareholder is GMO Financial Holdings Inc. (99.9% holding). GMO-Z Com Securities (Thailand) is a subsidiary of GMO Click Holdings, a leading brokerage firm under the GMO Internet Group in Japan, which includes nine listed companies on the Tokyo Stock Exchange.

Back in 2016, one new brokerage firm opened during the year, namely, Yuanta Securities (Thailand). Note that Yuanta Securities Asia Financial Services Limited acquired the entirety of shares in KK Trade Securities on 8 July 2016 from Phatra Securities, i.e., a subsidiary of Kiatnakin Bank Plc. (KKP). In comparison, in 2015, two new brokerage firms opened during the year, namely, ASL Plc (ASL) and SBI Thai Online Co., Ltd (SBITO). Meanwhile, in 2014, there was just one new brokerage firm, i.e., Land and House Securities Plc., and in 2013, three new players, namely, AEC Securities, Asia Wealth Securities and Apple Wealth Securities, entered the market.

Provision of product or services

1. Source of Fund

Most of the Company's source of fund is from shareholders, Board of Directors' approved to issue bill of exchange at a maximum of Baht 1,500 million.

KTZMICO is granted loans of Baht 3,000 million in addition to other lending facilities from KTB, a major shareholder, to support credit balance. Also KTB supports call loan and bank overdraft. Moreover, the Board of Directors' approved to issue bill of exchange at a maximum of Baht 4,000 million and corporate bond at maximum of Baht 3,000 million. KTZMICO incorporates asset, liability and capital market risk factors in order to appropriately allocate capital in a way that is most beneficial to shareholders.

2. Financing Fund from Persons related to Management or Major Shareholders

The Company has no fund provided by persons related to Management or major shareholders.

3. Net Capital Rule (NCR)

The Company is not required to maintain Net Liquid Capital and NCR since the Company temporarily discontinued operating securities business.

For KTZMICO, its policy is to keep its NCR well above Securities and Exchange Commission's requirements. The SEC requires all securities companies to maintain the shareholders' equity at a minimum of Baht 100 million, along with maintaining a minimum net liquid capital of Baht 25 million in addition to the 7% net capital ratio. As at the end of 2017, KTZMICO had Net Liquid Capital of Baht 1,109 million with NCR ratio at 18% and total shareholders' equity of Baht 2,441 million.

3. Fund Management Business

Solaris Asset Management (S-Funds) currently holds 4 fund management licenses as follows:

1. Mutual Fund

S-Funds was granted a mutual fund management license under the securities and exchange act B.E. 2535 since January 8, 2007 (License No. 0009/2549) for managing all type of mutual funds under supervision of the Securities and Exchange Commission. The company had officially started up this business since May 10, 2007.

2. Private Fund: Individual Private Fund

S-Funds was granted a private fund management license (individual private fund) under the securities and exchange act B.E. 2535 since August 14, 2007 (License No. 0008/2550) for managing all type of private fund under supervision of the Securities and Exchange Commission. The company had officially started up this business since December 3, 2007.

3. Private Fund: Provident Fund

S-Funds was granted a private fund management license (provident fund) under the securities and exchange act B.E. 2535 since February 22, 2010 (License No. 0001/2555) for managing all types of provident fund under supervision of the Securities and Exchange Commission. S-Funds had officially started up this business since February 22, 2010. As of December 31, 2013, S-Funds has none of provident fund under management.

4. Derivatives Fund Manager

S-Funds was granted a derivatives fund manager license under the derivatives act B.E. 2546 since July 13, 2007 (License No. 0009/2550) for being a fund manager to invest in derivatives instruments. However, S-Funds has not operated this kind of business yet.

Market and Competition

The core business of the asset management company is purchasing or accepting transfer of non performing assets including their collaterals from financial institutions for the purposes of managing or reselling. So, Market and competition in this business also depends on the characteristics and the quantities of NPL.

At present, Asset management companies and can divided into 3 types.

1. The Government is major shareholder
2. The Bank is major shareholder
3. The independent company

Lumpini Asset Management Co., Ltd. is classified into type 3. Because there are various types of NPL, Each asset management company limited may focus on the each NPLs they have competences and focus on only the NPLs of parent companies.

Provision of products or services

The company will acquiring non-performing loans (NPLs) from other financial institutions by auction and manage them through the process of debt restructuring negotiations to transform them to be regular assets for a short time and take advantage of this opportunity to benefit the economic system by considering the possibility of bidding, expected profit margin, possibility of debt collection, sources of fund and liquidity, the value of non performing asset and the value of collateral.

Main products or services of the company are consisted of

1. Debt restructuring process debt restructuring process is the voluntary agreements between debtors and creditors to determine new debt agreement such as;
 - 1.1 Lessening the payment condition such as reducing its debts, interest amount, interest rate or revising a payment plan.
 - 1.2 Converting debt-to-equity the company may converts a loan amount into equity shares and the company gets an equity position in exchange for cancellation of the debt.
 - 1.3 Selling the debtor's asset to the bidding market to reduce its' debt and to prevent the impairment of that asset.
 - 1.4 Other approaches: asset swap, loan to debtor.
2. Non performing asset's management
The company can sell the non performing asset to settle its debt or to complete its unfinished projects to improve the quality of assets and enhance its value including distribution channels to enhance the opportunity to sell these assets.

Risk Factors

In the past, the Company has only invested in Solaris Asset Management Company Limited and KT ZMICO Securities Company Limited. However, higher competition in securities business and the policy to increase free competitive in this business makes the Company to have the policy to diversify the risk to other potential businesses with long term investment. The Company has its representatives to join as the directors to control the target companies.

For the year 2017, the Company invests in Scentimental (Thailand) Company Limited and Absolute Yoga Company Limited. The representatives from the Company have developed and improve their policies and systems to increase the efficiency. These two companies may have the better performances soon.

The operation result of Company in 2017 shows that the Company has impairment loss from one subsidiary company. The Company will focus to solve this risk factor to prevent this type of loss in the future. This subsidiary company will solve the operation result to prevent the benefits of investor and will operate under SEC recommendation.

The company has the plan to earn more direct revenue from various businesses.

Shareholders

MAJOR SHAREHOLDERS (as at 29th December 2017)

Name	No. of Shares Held	% of Paid-up Capital
1. Mr. Suthep Wongvorazathe	100,000,000	7.647
2. UBS AG Singapore Branch	62,000,000	4.741
3. Oceanwide Securities Company Limited A/C Client	50,042,954	3.827
4. Mr. Wachira Thayanaraporn	33,800,000	2.585
5. The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch	31,764,567	2.429
6. Mr. Pimol Srivikorn	31,373,300	2.399
7. Bank of Singapore Limited	27,270,410	2.085
8. Mr. Taweechat Jurangkul	27,000,000	2.065
9. UOB Kay Hian Private Limited	22,775,456	1.742
10. Mr. Praphan Phatraprasit	20,000,000	1.529
Other	901,710,241	68.952
Total	1,307,736,926	100.00

MAJOR SHAREHOLDER GROUP

No major shareholder group has significant influence over the Company's policy and management.

Dividend Policy

The dividend payment will be considered on the basis of the Company's profitability and liquidity and approval from the shareholders' meeting.

The Board of Directors will determine dividend policy of subsidiaries.

Management Structure

1. BOARD OF DIRECTORS

Name	Position
1. Mr. Suthep Wongvorazathe	<ul style="list-style-type: none"> • Authorized Director • Chairman • Chairman of Investment Committee • Chairman of Nominating and Compensation Committee
2. Mr. Chaipatr Srivisarvacha	<ul style="list-style-type: none"> • Authorized Director • Chief Executive Officer • Vice Chairman • Member of Investment Committee
3. Mr. Pinit Puapan	<ul style="list-style-type: none"> • Authorized Director • Managing Director • Member of Investment Committee
4. Asst. Prof. Pimol Srivikorn	<ul style="list-style-type: none"> • Director • Member of Investment Committee • Chairman of Corporate Governance Committee
5. Mrs. Phornpun Phornprapha	<ul style="list-style-type: none"> • Independent Director • Member of Audit and Risk Management Committee
6. Mr. Peter J. Emblin	<ul style="list-style-type: none"> • Independent Director • Member of Investment Committee • Member of Nominating and Compensation Committee
7. Mr. Peter E. Romhild	<ul style="list-style-type: none"> • Independent Director • Chairman of Audit and Risk Management Committee • Member of Nominating and Compensation Committee
8. Mr. Jesadavat Priebjrivat	<ul style="list-style-type: none"> • Independent Director • Member of Corporate Governance Committee
9. Dr. Tanasak Wahawisan	<ul style="list-style-type: none"> • Independent Director • Member of Audit and Risk Management Committee
10. Mr. Supachai Wongvorazathe*	<ul style="list-style-type: none"> • Non-authorized Director • Member of Investment Committee
Mrs. Pornpilas Harnchanpanich	<ul style="list-style-type: none"> • Company Secretary • Secretary to the Board of Directors

* Mr. Supachai Wongvorazathe had been appointed as a Non-authorized Director by AGM's resolution on 27th April 2017 and approved by the SEC on 11th May 2017 and registered with the MOC completely on 16th May 2017.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors shall perform their duties and carry on the business of the Company in accordance with the laws, the Company's objectives and the Articles of Association as well as the resolutions of shareholders' meetings, and shall also be authorized to engage in any activities as prescribed in the Memorandum or those related thereto.

The Board of Directors may assign one or more persons to carry out any activities on behalf of the Board of Directors. No authorization shall entitle the grantee to consider and approve transactions that may cause a conflict of interest between the grantee or any related person or interested person.

Directors Authorization and Limitation thereof

Mr. Suthep Wongvorazathe, Mr. Chaipatr Srivisarvacha, Mr. Pinit Puapan any two of these three directors signing together with the Company's seal being affixed.

ATTENDANCE RECORD IN 2017

In 2017, the Board of Directors met 4 times. Details of the attendance are as follows:

Name	Meeting Attended
1. Mr. Suthep Wongvorazathe	4/4
2. Mr. Chaipatr Srivisarvacha	4/4
3. Mr. Pinit Puapan	1/4
4. Asst. Prof. Pimol Srivikorn	1/4
5. Mrs. Phornpun Phornprapha	2/4
6. Mr. Peter J. Emblin	3/4
7. Mr. Peter E. Romhild	3/4
8. Mr. Jesadavat Priebjrivat	4/4
9. Dr. Tanasak Wahawisan	3/4
10. Mr. Supachai Wongvorazathe*	2/2

* Mr. Supachai Wongvorazathe had been appointed as a Non-authorized Director by AGM's resolution on 27th April 2017 and approved by the SEC on 11th May 2017 and registered with the MOC completely on 16th May 2017.

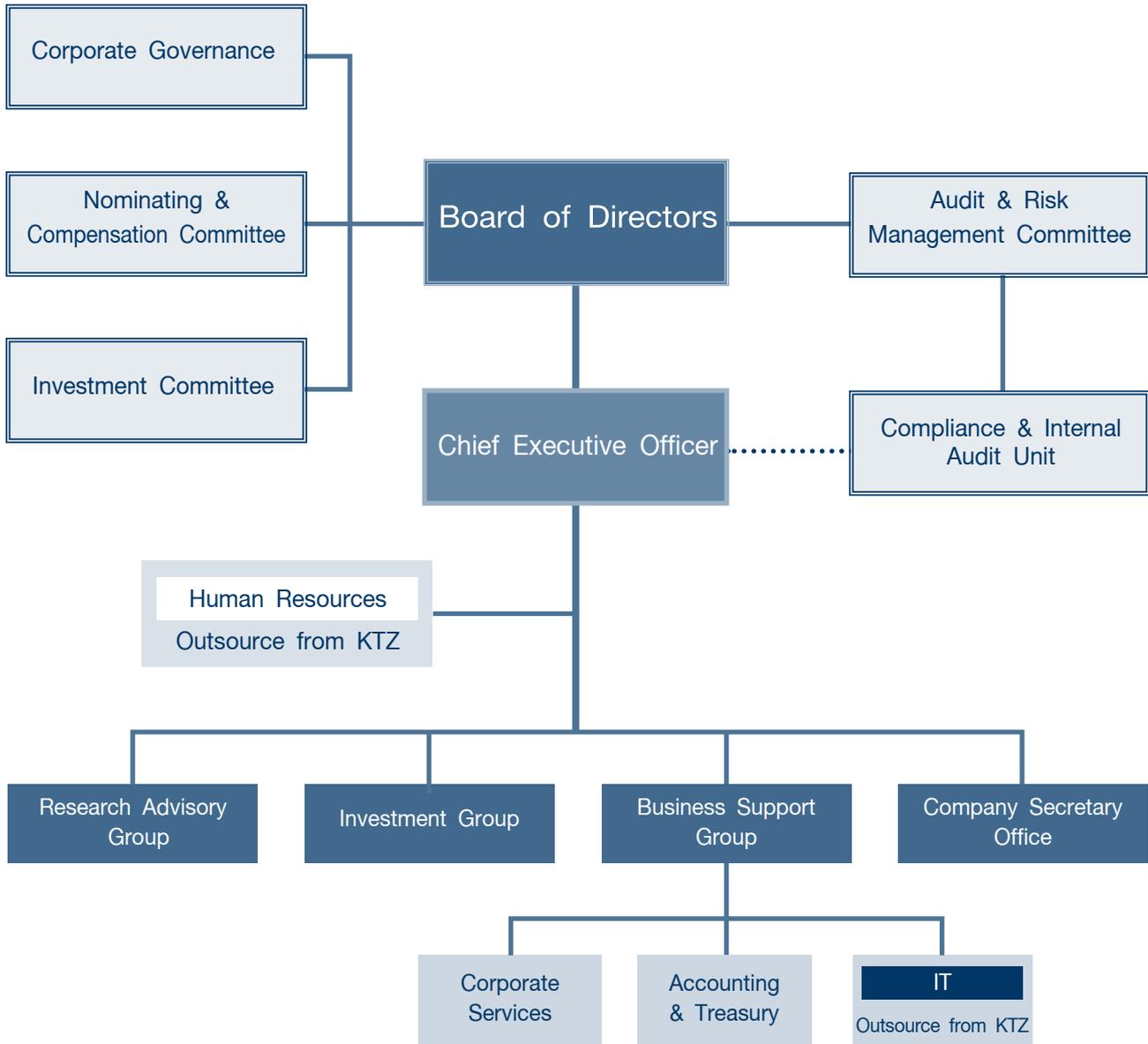
2. MANAGEMENT

1. Mr. Chaipatr Srivisarvacha	<ul style="list-style-type: none"> - Authorized Director - Chief Executive Officer - Vice Chairman - Member of Investment Committee
2. Mr. Pinit Puapan	<ul style="list-style-type: none"> - Authorized Director - Managing Director - Member of Investment Committee
3. Mr. Chirayu Chueyam	<ul style="list-style-type: none"> - Senior Vice President, Investment Group - Secretary to Investment Committee
4. Mr. Terapatr Mathanukraw	<ul style="list-style-type: none"> - Senior Vice President, Advisory Research Group
5. Ms. Sumalee Tangsajjanurak	<ul style="list-style-type: none"> - Senior Vice President, Business Support Group

3. COMPANY SECRETARY

Mrs. Pornpilas Harnchanpanich has been appointed as the Company Secretary by resolution of the Board of Directors Meeting No. 5/2015 dated 9th November 2015.

ORGANIZATION CHART



DIRECTORS, MANAGEMENT AND COMPANY SECRETARY PROFILES

Mr. Suthep Wongvorazathe

Position	<ul style="list-style-type: none"> - Authorized Director - Chairman of the Board - Chairman of Investment Committee - Chairman of Nominating and Compensation Committee
Age	69 Years
Date of Appointment	20 September 2013
Education	MBA, University of Wisconsin, U.S.A. (1971)
Training	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) (2005) - Corporate Governance for Capital Market Intermediaries (CGI) (2016)
% of Shareholding	7.65%
Relationship with Management	Mr. Supachai Wongvorazathe's Father
Experience Company Group	
20 September 2013 - Present	- Chairman of the Board, Seamico Securities Plc.
8 November 2013 - Present	- Chairman of Investment Committee, Seamico Securities Plc.
12 February 2014 - Present	- Chairman of Nominating and Compensation Committee Seamico Securities Plc.
14 May 2014 - Present	- Executive Chairman, KT ZMICO Securities Co., Ltd.
22 August 2014 - Present	- Authorized Director, KT ZMICO Securities Co., Ltd.
26 February 2014 - 21 August 2014	- Non-authorized Director, KT ZMICO Securities Co., Ltd.
Other Listed Companies in the SET	
February 2007 - Present	- Chairman, Khonburi Sugar Plc.
October 2012 - Present	- Chairman of Audit Committee, Independent Director The Bangchak Petroleum Plc.
15 June 2015 - Present	- Chairman, Executive Chairman, M.K. Real Estate Development Plc.
Other Companies	
31 August 2017 - Present	- Director, HSH-Siam Chaophraya Holdings Co., Ltd.
8 August 2017 - Present	- Director, The Mall Group
24 June 2015 - Present	- Director, Banthat Thong Co., Ltd.
2011 - Present	- Authorized Director, New Corp Co., Ltd.
2009 - Present	- Authorized Director, Asia Kangnam Co., Ltd.
Other Past Experience	
March 2003 - April 2016	- Chairman of Audit Committee and Independent Director Chumporn Palm Oil Industry Plc.
2010 - 2011	- Chairman of Executive Board, Export-Import Bank of Thailand
2009 - 2011	- Director, The Board of Investment of Thailand
2007 - 2010	- Chairman, Pacific Assets Plc.

Mr. Chaipatr Srivisarvacha

Position	<ul style="list-style-type: none">- Authorized Director- Vice Chairman- Chief Executive Officer- Member of Investment Committee
Age	58 Years
Date of Appointment	18 April 2007
Education	MBA (Finance), Illinois Benedictine College (1984)
Training	<ul style="list-style-type: none">- Director Certification Program (DCP) (2003)- Corporate Governance for Capital Market Intermediaries (CGI) (2015)
% of Shareholding	0.81%
Relationship with Management	None
Experience Company Group	
1 May 2009 - Present	<ul style="list-style-type: none">- Chief Executive Officer, KT ZMICO Securities Co., Ltd.
29 November 2011 - Present	<ul style="list-style-type: none">- Director, Solaris Asset Management Co., Ltd.
11 March 2016 - Present	<ul style="list-style-type: none">- Director, Lumpini Asset Management Co., Ltd.
27 March 2017 - Present	<ul style="list-style-type: none">- Director, Absolute Yoga Co., Ltd.
August 2009 - Present	<ul style="list-style-type: none">- Chairman of the Board and Executive Chairman Thanh Cong Securities J.S.C.
Other Listed Companies in the SET	
14 March 2011 - Present	<ul style="list-style-type: none">- Independent Director, Precious Shipping Plc.
28 December 2015 - Present	<ul style="list-style-type: none">- Chairman of the Board of Directors, Thaifoods Group Plc.
Other Companies	
28 May 2015 - Present	<ul style="list-style-type: none">- Governor, The Stock Exchange of Thailand
23 May 2016 - Present	<ul style="list-style-type: none">- Non-authorized Director, TSFC Securities Public Co., Ltd.
Other Past Experience	
28 May 2012 - 27 May 2014	<ul style="list-style-type: none">- Governor, The Stock Exchange of Thailand
19 June 2013 - 27 May 2014	<ul style="list-style-type: none">- Member of Audit Committee, The Stock Exchange of Thailand
20 June 2012 - 19 June 2013	<ul style="list-style-type: none">- Director, Thailand Futures Exchange Plc.
1 January 2013 - 19 June 2013	<ul style="list-style-type: none">- Chairman Derivatives Investor Protection Fund Committee Thailand Futures Exchange Plc.
2003 - 16 May 2013	<ul style="list-style-type: none">- Independent Director and Audit Committee Member, Brooker Group Plc.
8 September 2010 - 3 November 2011	<ul style="list-style-type: none">- Independent Director and Chairman of Audit Committee Dhanarak Asset Development Co., Ltd.
31 January 2011 - 3 November 2011	<ul style="list-style-type: none">- Chairman, DAD SPV Co., Ltd.
3 July 2001 - 18 April 2007	<ul style="list-style-type: none">- Independent Director and Audit Committee Member Thanachart Bank Plc.
1999 - 2003	<ul style="list-style-type: none">- Independent Director, Pacific Assets Plc.
1999	<ul style="list-style-type: none">- Director and Executive Director, Krung Thai Bank Plc.

Mr. Pinit Puapan

Position	<ul style="list-style-type: none"> - Authorized Director - Managing Director - Member of Investment Committee
Age	50 Years
Date of Appointment	30 January 2009
Education	<ul style="list-style-type: none"> - Advanced Management Program, Harvard Business School (2006) - MSC, Economics, London School of Economics (1990) - BA, Economics & Political Science, Tufts University (1989)
Training	<ul style="list-style-type: none"> - Audit Committee Program (2004) - Director Accreditation Program (DAP) (2004) - Corporate Governance for Capital Market Intermediaries (CGI) (2015) - Certificate, Leader Program, Capital Market Academy (CMA 11) (2010) - Certificate, Advanced Security Management Program, The Association National Defense College of Thailand (ASMP 5) (2014) - Public Director Certification Program (PDI 15), King Prajadhipok's Institute (2016) - Executive Energy Program, The Federation of Thai Industries (EEP3) (2017)
% of Shareholding	0%
Relationship with Management	None
Experience Company Group	
2 March 2009 - Present	- Authorized Director, Seamico Securities Plc.
3 July 2007 - Present	- Managing Director, Seamico Securities Plc.
8 November 2013 - Present	- Member of Investment Committee, Seamico Securities Plc.
28 May 2007 - 8 November 2013	- Member of the Executive Committee, Seamico Securities Plc.
21 May 2007 - 21 October 2008	- Authorized Director, Seamico Securities Plc.
28 October 2008 - Present	- Authorized Director, KT ZMICO Securities Co., Ltd.
Other Listed Companies in the SET	
2002 - Present	- Audit Committee and Independent Director Charn Issara Development Plc.
8 June 2015 - Present	- Non-authorized Director, CAT Telecom Plc.
22 December 2015 - Present	- Non-authorized Director, Srisawad Corporation Plc.
23 May 2017 - Present	- Non-authorized Director, Srisawad Finance Plc.
20 December 2017 - Present	- Non-authorized Director, Thai Airways International Plc.
Other Companies	
2002 - Present	- Director, Thai Dairy Industry Co., Ltd.
2008 - Present	- Director, Ideas 1606 Co., Ltd.
2013 - Present	- Authorized Director, Veyla Cha Am Residences Co., Ltd
Present	- Authorized Director, Talon Holdings Co., Ltd.
2014 - Present	- Authorized Director, Mali Group 1962 Co., Ltd.
Other Past Experience	
28 April 2009 - 17 April 2017	- Director, Solaris Asset Management Co., Ltd.
28 October 2008 - 31 December 2014	- Managing Director, KT ZMICO Securities Co., Ltd.
August 2009 - 29 March 2013	- Director, Thanh Cong Securities J.S.C.
2010 - 31 January 2012	- Director, BCEL-KT Securities Co., Ltd.

Mrs. Phornpun Phornprapha

Position	- Independent Director - Member of Audit and Risk Management Committee
Age	64 Years
Date of Appointment	18 April 2007
Education	Marry Mount College, U.S.A.
Training	- Audit Committee Program (2008) - Director Accreditation Program (DAP) (2008) - Corporate Governance for Capital Market Intermediaries (CGI) (2016)
% of Shareholding	0.014%
Relationship with Management	None
Experience Company Group	
21 May 2007 - Present	- Independent Director, Seamico Securities Plc.
28 May 2007 - Present	- Audit and Risk Management Committee, Seamico Securities Plc.
Other Listed Companies in the SET	- None
Other Companies	
1977 - Present	- Director, Siam Motors Co., Ltd.
1979 - Present	- Managing Director, Thaworn Holding Co., Ltd.
1979 - Present	- Managing Director, Thaworn Estate Co., Ltd.
1980 - Present	- Managing Director, Thong Thaworn Pattana Co., Ltd.

Mr. Peter John Emblin

Position	<ul style="list-style-type: none"> - Independent Director - Member of Investment Committee - Member of Nominating and Compensation Committee
Age	59 Years
Date of Appointment	26 February 2010
Education	<ul style="list-style-type: none"> - Bachelor of Business RMIT University Melb.Australia - Fellow of the Financial Services Institute of Australasia - Chartered Director Thai Institute of Directors
Training	<ul style="list-style-type: none"> - Director Certification Program (DCP 153/2011) (2011) - Corporate Governance for Capital Market Intermediaries (CGI 9/2015) (2015) - Chartered Director Class (CDC 10/2015) (2015) - Diploma Director Certification Program (2012)
% of Shareholding	0%
Relationship with Management	None
Experience Company Group	
20 September 2013 - Present	<ul style="list-style-type: none"> - Independent Director, Seamico Securities Plc. - Member of Nominating and Compensation Committee Seamico Securities Plc.
8 November 2013 - Present	<ul style="list-style-type: none"> - Member of Investment Committee, Seamico Securities Plc.
20 September 2013 - 13 November 2014	<ul style="list-style-type: none"> - Member of Corporate Governance Committee, Seamico Securities Plc.
18 March 2010 - 19 September 2013	<ul style="list-style-type: none"> - Director, Seamico Securities Plc.
11 November 2010 - 8 November 2013	<ul style="list-style-type: none"> - Member of Executive Committee, Seamico Securities Plc.
Other Listed Companies in the SET	<ul style="list-style-type: none"> - None
Other Companies	
1 December 2016 - Present	<ul style="list-style-type: none"> - Advisor, D.W.P. Co., Ltd.
1 December 2016 - Present	<ul style="list-style-type: none"> - Advisor, Delight Plus Co., Ltd.
Other Past Experience	
April 2014 - 30 November 2016	<ul style="list-style-type: none"> - Advisor, MBMG Corporate Solutions Co., Ltd.
November 2008 - 31 December 2013	<ul style="list-style-type: none"> - Executive, Thai Strategic Capital Management Co., Ltd.

Mr. Peter Emil Romhild

Position	<ul style="list-style-type: none"> - Independent Director - Chairman of Audit and Risk Management Committee - Member of Nominating and Compensation Committee
Age	66 Years
Date of Appointment	27 April 2012
Education	EAC's Internal School, Copenhagen
Training	<ul style="list-style-type: none"> - Directors Accreditation Program (DAP) (2011) - Director Certification Program (DCP) (2012) - 3rd National Director Conference 2014 under topic "Improving Corporate Governance : Key to Advancing Thailand (2014) - Corporate Governance for Capital Market Intermediaries (CGI) (2015)
% of Shareholding	0%
Relationship with Management	None
Experience Company Group	
10 May 2012 - Present	<ul style="list-style-type: none"> - Independent Director, Seamico Securities Plc. - Member of Nominating and Compensation Committee Seamico Securities Plc.
9 May 2014 - Present	<ul style="list-style-type: none"> - Chairman of Audit and Risk Management Committee Seamico Securities Plc.
10 May 2012 - 8 May 2014	<ul style="list-style-type: none"> - Member of Audit and Risk Management Committee Seamico Securities Plc.
10 May 2012 - 20 September 2013	<ul style="list-style-type: none"> - Member of Corporate Governance Committee, Seamico Securities Plc.
February 2017 - Present	<ul style="list-style-type: none"> - Chairman, Scentimental (Thailand) Co., Ltd.
Other Listed Companies in the SET	<ul style="list-style-type: none"> - None
Other Companies	
2016 - Present	<ul style="list-style-type: none"> - Executive Board Director, ECCO (Vietnam) Co., Ltd.
April 2012 - Present	<ul style="list-style-type: none"> - Vice Chairman, ECCO (Thailand) Co. Ltd.
October 2013 - Present	<ul style="list-style-type: none"> - Executive Board Director, ECCO Tannery (Thailand) Co., Ltd. - Executive Board Director, PT ECCO Indonesia - Executive Board Director, PT ECCO Tannery Indonesia
Other Past Experience	
January - March 2012	<ul style="list-style-type: none"> - Advisor, Berli Jucker Pcl.
January 2007 - December 2011	<ul style="list-style-type: none"> - Sr. Executive Vice President, Berli Jucker Pcl.
January 2001 - December 2007	<ul style="list-style-type: none"> - Executive Vice President, Berli Jucker Pcl.

Mr. Jesadavat Priebjivat

Position	<ul style="list-style-type: none"> - Independent Director - Member of Corporate Governance Committee
Age	60 Years
Date of Appointment	10 May 2013
Education	<ul style="list-style-type: none"> - MBA, New York University, U.S.A. (1984) - MEA, George Washington University, U.S.A. (1980)
Training	<ul style="list-style-type: none"> - Role of the Chairman Program (ROCP) V. 2 (2011) - Corporate Good Governance for the Director & Executives of Enterprise & Public Organization V. 4 (2010) - Director Certification Program (DCP) V. 115 (2009) - Audit Committee Program (ACP) V. 1 (2009) - Change Management for Top Executive Program (GRID Thailand) - Corporate Governance for Capital Market Intermediaries (CGI) (2016)
% of Shareholding	0%
Relationship with Management	None
Experience Company Group	
10 May 2013 - Present	- Independent Director, Seamico Securities Plc.
20 September 2013 - Present	- Member of Corporate Governance Committee, Seamico Securities Plc.
Other Listed Companies in the SET	
June 2010 - Present	- Chairman, Gratitude Infinite Plc.
May 2008 - Present	- Chairman of Audit Committee, Sansiri Plc.
Other Past Experience	
May 2011 - March 2017	- Chairman of Audit Committee, Trang Seafood Products Plc.
June 2010 - 2012	- Chief Financial Officer, CAT Telecom Plc.

Assistant Professor Pimol Srivikorn

Position	<ul style="list-style-type: none">- Non-authorized Director- Chairman of Corporate Governance Committee- Member of Investment Committee
Age	53 Years
Date of Appointment	20 September 2013
Education	<ul style="list-style-type: none">- MBA, University of California at Los Angeles John E. Anderson, U.S.A. (1989)
Training	-
% of Shareholding	2.40%
Relationship with Management	None
Experience Company Group	
20 September 2013 - Present	<ul style="list-style-type: none">- Non-authorized Director, Seamico Securities Plc.- Chairman of Corporate Governance Committee, Seamico Securities Plc.
8 November 2013 - Present	<ul style="list-style-type: none">- Member of Investment Committee, Seamico Securities Plc.
March 2017 - Present	<ul style="list-style-type: none">- Authorized Director, Absolute Yoga Co., Ltd.
Other Listed Companies in the SET	
May 1993 - Present	<ul style="list-style-type: none">- Chairman, Thailand Carpet Manufacturing Plc.
Other Companies	
January 1989 - Present	<ul style="list-style-type: none">- Director, President Hotel and Tower Co., Ltd.
March 2007 - Present	<ul style="list-style-type: none">- President , Taekwondo Association of Thailand
December 2011 - Present	<ul style="list-style-type: none">- License Holder and School Director Srivikorn School - Srivikorn Business School
January 2012 - Present	<ul style="list-style-type: none">- Executive Director, Srivikorn Group Holding Co., Ltd.
March 2015-Present	<ul style="list-style-type: none">- Chief Executive Officer , Scomadi Thailand Co., Ltd.
Other Past Experience	
January 2013 - 3 May 2016	<ul style="list-style-type: none">- Independent Director and Chairman of Audit Committee Nok Airlines Plc.

Dr. Tanasak Wahawisan

Position	<ul style="list-style-type: none"> - Independent Director - Member of Audit and Risk Management Committee
Age	59 Years
Date of Appointment	28 April 2014
Education	<ul style="list-style-type: none"> - Graduate School of International Studies, University of Denver Ph.D. International Studies (1986-1988) - Graduate School of International Studies, University of Denver M.A. International Studies (1985-1986) - Department of Political Science, The Ohio State University M.A. Political Science (1980-1981) - Faculty of Political Science, Chulalongkorn University B.A. Political Science (International Relations) (1976-1979)
Training	<ul style="list-style-type: none"> - Directors Certification Program - Corporate Governance for Capital Market Intermediaries (CGI) (2015)
% of Shareholding	0%
Relationship with Management	None
Experience Company Group	
28 April 2014 - Present	- Independent Director, Seamico Securities Plc.
28 August 2014 - Present	- Member of Audit and Risk Management Committee, Seamico Securities Plc.
Other Listed Companies in the SET	- None
Other Companies	
2017 - Present	- Chairman, Automation and Technology Service Co., Ltd.
16 April 2014 - Present	- Independent Director and Member of Audit Committee Advance Finance Plc.
2011 - Present	- Director, PHM International Co., Ltd.
2000 - Present	- Director and General Manager, Apollo (Thailand) Co., Ltd.
2006 - Present	- Founding Member and Lecturer Institute of Diplomacy and International Studies, Rangsit University

Mr. Supachai Wongvorazathe

Position	<ul style="list-style-type: none">- Non-authorized Director- Member of Investment Committee
Age	43 Years
Date of Appointment	27 April 2017
Education	<ul style="list-style-type: none">- Charter, CFA Institute, CFA Charterholder (2002)- Thunderbird, School of Global Management, Master of International Management, Arizona, USA (1999 - 2000)- Chulalongkorn University, Bachelor of Business Administration (1993-1997)
Training	-
% of Shareholding	0%
Relationship with Management	Mr. Suthep Wongvorazathe's son
Experience Company Group	
27 April 2017 - Present	<ul style="list-style-type: none">- Non-authorized Director, Seamico Securities Plc.- Member of Investment Committee, Seamico Securities Plc.
Other Listed Companies in the SET	<ul style="list-style-type: none">- None
Other Companies	
April 2008 - Present	<ul style="list-style-type: none">- Independent Director and Member of Audit Committee Advance Finance Plc.
2011 - Present	<ul style="list-style-type: none">- Senior Vice President, Optasia Capital Co, Ltd.
Other Past Experience	
2000 - Present	<ul style="list-style-type: none">- Director and General Manager, Apollo (Thailand) Co., Ltd.
May 2004 - April 2008	<ul style="list-style-type: none">- Director, Grant Thornton Specialist Advisory Services Ltd
June 2002 - April 2004	<ul style="list-style-type: none">- Vice President, Cerberus Thailand LLC
November 2000 - May 2002	<ul style="list-style-type: none">- Assistant Manager, Prime Partners Asset Management Pte. Ltd (Singapore)
June 2000 - September 2000	<ul style="list-style-type: none">- Associate Intern, Merrill Lynch (Singapore) Pte. Ltd

Mr. Chirayu Chueyam

Position	- Senior Vice President, Investment Group - Secretary to Investment Committee
Age	43 Years
Education	- MBA, Chulalongkorn University - BBA, Chulalongkorn University
Training	- Corporate Governance for Capital Market Intermediaries (2017)
% of Shareholding	0%
Relationship with Management	None
Experience Company Group	
August 2013 - Present	- Senior Vice President, Investment Group and Secretary to Investment Committee, Seamico Securities Plc.
August 2016 - Present	- Authorized Director and Executive Director Solaris Asset Management Co., Ltd.
December 2015 - Present	- Authorized Director, Lumpini Asset Management Co., Ltd.
February 2017 - Present	- Authorized Director, Scentimental (Thailand) Co., Ltd.
Other Listed Companies in the SET	- None
Other Past Experience	
April 2014 - December 2016	- Director, Beacon Offshore Co., Ltd.
September 2009 - July 2013	- Senior Manager, Portfolio Management, Intouch Holding Plc.
July 2007 - August 2009	- Vice President, Investment Banking, Seamico Securities Plc.
May 2005 - December 2006	- Investment Manager, New Business, Shin Corporations Plc.
April 1999 - April 2005	- Assistant Vice President, CapMaxx Co., Ltd.

Mr. Terapatr Mathanukraw

Position	- Senior Vice President, Advisory Research Group
Age	54 Years
Education	- MBA (Finance), Eastern Michigan University, U.S.A.
Training	- Training for Fund Manager License, AMC (2010) - Training for Derivatives Fund Manager License, AMC (2012) - Valuation of Oil and Gas Assets, Institute of Southeast Asian Studies, Singapore - Equity Derivatives: Managing, Trading, Hedging and Arbitrage (SAA) - Analysis and Valuation of Telecommunication Industry (SAA)
% of Shareholding	0.000001%
Relationship with Management	None
Experience Company Group	
2015 - Present	- Senior Vice President, Research Advisory Group Seamico Securities Plc.
2015 - Present	- Authorized Director, Lumpini Asset Management Co., Ltd.
2011 - 2015	- Fund Manager, Portfolio Management, KT-ZMICO Securities Co., Ltd.
Other Listed Companies in the SET	- None

Ms. Sumalee Tangsajjanurak

Position	- Senior Vice President, Business Support Group
Age	57 Years
Education	- MBA, Business Administration, Thammasat University
Training	-
% of Shareholding	0%
Relationship with Management	None
Experience Company Group	
2016 - Present	- Senior Vice President, Business Support Group, Seamico Securities Plc.
2013 - 2016	- Senior Vice President of IT Innovative, KT ZMICO Securities Co., Ltd.
1994 - 2012	- Senior Vice President of IT Department , Seamico Securities Plc., KT ZMICO Securities Co., Ltd.
Other Listed Companies in the SET	- None

Mrs. Pornpilas Harnchanpanich

Position	<ul style="list-style-type: none"> - Company Secretary - Secretary to the Board of Directors - Vice President, Company Secretary Office
Age	52 Years
Education	<ul style="list-style-type: none"> - Bachelor of Arts, Kasetsart University (1986)
Training	<ul style="list-style-type: none"> - Company Secretary Program (CSP# 2/2002) (IOD) (2002) - Corporate Secretary Development Program (Course 10 Days) (Faculty of Commerce and Accountancy, Chulalongkorn University and Thai Listed Companies Association) (2003) - Corporate Secretary Development Program (Course 3 Days) (Thai Listed Companies Association and the SET) (2007) - Fundamental Practice for Corporate Secretary (FPCS 18) (Course 4 Days) (Thai Listed Companies Association) (2008) - Board Reporting (BRP #3/2010) (IOD) (2010) - Effective Minutes Taking (EMT #17/2010) (IOD) (2010) - Fundamental Practice for Corporate Secretary (FPCS 23) (Course 4 Days) (Thai Listed Companies Association) (2011) - Advanced for Corporate Secretaries (Course 4 Days) (Company Secretary Association, Thai Listed Companies Association, the SET, the SEC) (2015) - Company Reporting Program (CRP#16/2016) (IOD) (2016) - CSR for Corporate Sustainability (P01) (#9/2016) (the SET) (2016)
% of Shareholding	0%
Relationship with Management	None
Experience Company Group	
January 2016 - Present	<ul style="list-style-type: none"> - Company Secretary and Secretary to the Board of Directors Seamico Securities Plc.
July 2014 - Present	<ul style="list-style-type: none"> - Vice President, Company Secretary Office, Seamico Securities Plc.
2001 - June 2014	<ul style="list-style-type: none"> - Assistant Vice President, Office of the Board of Directors Seamico Securities Plc.
Other Listed Companies in the SET	<ul style="list-style-type: none"> - None

DETAILS OF SUBSIDIARY AND ASSOCIATED COMPANY'S DIRECTORS

Subsidiary Company

Company Name Solaris Asset Management Company Limited
 Location 287 Liberty Square 8th Floor, Silom Road, Bangrak Bangkok 10500
 Type of Business Asset Management
 Date of Establishment 28th June 2006

Director	Position
1. Mrs. Panee Sathavarodom	Chairman
2. Mr. Chirayu Chueyam	Authorized Director
3. Mr. Somporn Sasiroj	Authorized Director
4. Mr. Chaipatr Srivisarvacha	Director
5. Mr. Pichai Yimjaipoonsup	Authorized Director
6. Mr. Praves Suttirat	Independent Director
7. Mr. Vuthichai Tumasaroj	Independent Director
8. Mr. Phuemphol Prasertlum	Independent Director
9. Mr. Suphan Settapanich	Authorized Director and Managing Director

Subsidiary Company

Company Name Lumpini Asset Management Company Limited
 Location 287 Liberty Square 18th Floor, Silom Road, Bangrak Bangkok 10500
 Type of Business Purchasing or accepting transfer of any non-performing assets including their collaterals from financial institutions for the purposes of managing or reselling and other relevant businesses as prescribed by the Law
 Date of Establishment 1st December 2015

Director	Position
1. Mr. Chaipatr Srivisarvacha	Authorized Director
2. Mr. Somporn Sasiroj	Authorized Director
3. Mr. Chirayu Chueyam	Authorized Director
4. Mr. Terapatr Mathanukraw	Authorized Director
5. Mr. Lertsak Polanun	Authorized Director

Associated Company

Company Name	KT ZMICO Securities Company Limited
Location	287 Liberty Square 16 th Floor, Silom Road, Bangrak Bangkok 10500
Type of Business	Securities
Date of Establishment	30 th May 2000

Director	Position
1. Mr. Kraithip Krairiksh	Independent Director, Chairman of the Board
2. Mr. Suthep Wongvorazathe	Authorized Director, Executive Chairman
3. Mr. Vinit Samritpricha	Independent Director, Chairman of Audit Committee
4. Mr. Chaipatr Srivisarvacha	Authorized Director, Chief Executive Officer
5. Mr. Udomsak Rojviboonchai	Director, Audit Committee Member
6. Mr. Prasith Wasupath	Authorized Director
7. Mr. Pinit Puapan	Authorized Director
8. Ms. Poonpat Sripleng	Authorized Director
9. Mr. Chao Arunyawat	Director
10. Mr. Werapong Suppasedsak	Authorized Director
11. Mr. Thawat Yooyod	Independent Director, Audit Committee Member

Associated Company

Company Name	Scentimental (Thailand) Co., Ltd.
Location	26/51 Orakarn Building, 14 th Floor, SoiChidlom, Ploen Chit Road, Lumpini Sub-district, Patumwan District, Bangkok
Type of Business	Selling and distributing perfumes
Date of Establishment	29 th July 2016

Director	Position
1. Mr. Niphon Raksriaksorn	Authorized Director
2. Mr. Chirayu Chueyam	Authorized Director
3. Mr. Yeo Tien Wei Marvin	Authorized Director
4. Ms. Sunsanee Wongvorazathe	Authorized Director
5. Mr. Peter E. Romhild	Non-authorized Director
6. Ms. Ayouty Pia Elisabeth Brown	Non-authorized Director

Associated Company

Company Name	Absolute Yoga Co., Ltd.
Location	496-502 Amarin Plaza 11 th Floor, Ploenchit Rd., Pathumwan, Bangkok 10330
Type of Business	Yoga Studio, Hotel and Food
Date of Establishment	4 th June 2002

Director	Position
1. Ms. Benjaporn Karoonkornsakul	Authorized Director
2. Ms. Chittima Karoonkornsakul	Authorized Director
3. Ms. Orawan Karoonkornsakul	Authorized Director
4. Mr. Apichart Karoonkornsakul	Authorized Director
5. Mr. Chaipatr Srivisarvacha	Authorized Director
6. Mr. Pimol Srivikorn	Authorized Director

4. REMUNERATION FOR DIRECTORS AND MANAGEMENT IN 2016

1. Monetary Remuneration

Directors

Name	Responsibilities	Remuneration	
		Directors' Fee	Bonus ⁺
1. Mr. Suthep Wongvorazathe	<ul style="list-style-type: none"> • Authorized Director • Chairman • Chairman of Investment Committee • Chairman of Nominating and Compensation Committee 	940,000	960,793.61
2. Mr. Chaipatr Srivisarvacha**	<ul style="list-style-type: none"> • Authorized Director • Chief Executive Officer • Vice Chairman • Member of Investment Committee 	-	-
3. Mr. Pinit Puapan**	<ul style="list-style-type: none"> • Authorized Director • Managing Director • Member of Investment Committee 	-	-
4. Asst. Prof. Pimol Srivikorn	<ul style="list-style-type: none"> • Directors • Member of Investment Committee • Chairman of Corporate Governance Committee 	420,000	490,788.08

Name	Responsibilities	Remuneration	
		Directors' Fee	Bonus [*]
5. Mrs. Phornpun Phornprapha	<ul style="list-style-type: none"> Independent Director Member of Audit and Risk Management Committee 	380,000	490,788.08
6. Mr. Peter J. Emblin	<ul style="list-style-type: none"> Independent Director Member of Investment Committee Member of Nominating and Compensation Committee 	525,000	736,981.45
7. Mr. Peter E. Romhild	<ul style="list-style-type: none"> Independent Director Chairman of Audit and Risk Management Committee Member of Nominating and Compensation Committee 	465,000	524,359.91
8. Mr. Jesadavat Priebjrivat	<ul style="list-style-type: none"> Independent Director Member of Corporate Governance Committee 	360,000	378,882.00
9. Dr. Tanasak Wahawisan	<ul style="list-style-type: none"> Independent Director Member of Audit and Risk Management Committee 	420,000	468,406.87
10. Mr. Supachai Wongvorazathe	<ul style="list-style-type: none"> Non-authorized Director Member of Investment Committee 	310,000	-
	Total	3,820,000	4,051,000.00

Note ^{*} Bonus of 2016 performance paid in 2017

^{**} Two executive directors are not entitled to directors' remuneration.

Executive Directors and Management

Type of Remuneration	Remuneration (Baht)
Salary and Bonus	17,637,194.00

2. Other Remuneration

For 2017, the Company contributed Baht 889,026 for the management to the Company's provident fund.

Corporate Governance 2017

The Company and its Board of Directors realizes the importance of Good Corporate Governance is committed to conducting all its business in compliance with the good corporate governance principles and guidelines set by the Stock Exchange of Thailand (SET).

In 2017, the Company received a “Very Good Grade” from the Thai IOD survey of good governance.

The Company has implemented several parts of the practice guidelines already such as allowing minority shareholders to forward their suggestions before the AGM and also faster dissemination of AGM’s resolutions after the AGM and continues to implement further Good Governance Principles.

Some of the key aspects of the Company’s corporate governance principles are as follows:

1. Rights of Shareholders

The right to obtain information

All shareholders shall receive notice and details of meetings together with the Board of Directors’ opinion on such matters not less than 14 days prior to the meeting date, and also receive notice of the AGM, with details provided on our website not less than 30 days prior to the meeting date, and the company will publicize the AGM’s minutes on its website within 14 days after the meeting date. This will ensure that shareholders have timely and sufficient information regarding the issues to be decided at meetings.

Voting rights

All shareholders have the right to attend shareholders’ meetings and vote in accordance with the Articles of Association of the Company. The Company also provides a proxy form for shareholders who cannot attend meetings to appoint an independent director as a grantee in which the shareholder can specify their vote for each matter on the meeting’s agenda.

For the election of the Company’s directors, each candidate is introduced one by one, and shareholders vote for each individual.

A legal advisor from a law office will be invited to attend the meeting in order to inspect voting and observe the transparency meeting.

The rights to express opinions and ask questions

Shareholders are given the opportunity to express their opinions and ask questions at the meetings and the Company attempts to supply shareholders with sufficient information prior to the meeting.

The rights to be treated equally

All shareholders rights and benefits shall be treated equally.

The Company has a policy to support and facilitate the shareholders, including institutional investors, to attend the general meetings of shareholders by selecting the meeting venues where the mass transit system are available and sufficient for the shareholders to conveniently commute to attend the meetings.

2. Equitable Treatment of Shareholders

In 2017, the Company website was adjusted to allow shareholders to propose additional agenda items and nominate qualified directors prior to the AGM meeting.

The minutes of the shareholders' meetings are disclosed on the Company's website and presented at the next meeting to be certified.

Policies regarding the Keeping of Confidential information and the prevention of the use of inside information have been implemented. Directors and senior executive are required to report their shareholding of the company to board of directors regularly. And the company applies silent periods ahead of any announcements in line with SET guidelines

3. Roles of Stakeholders

The Company realizes that the growth and success of the Company is derived from the support of all its stakeholders. The Company, therefore, as a general practice serves all stakeholders, as follows:

3.1 Shareholders

Accurate and timely disclosure of all material matters are made through appropriate channels, such as the Regular Set Information Management System (RSIMS), the Company's website, newspapers, press releases, letters, etc.

3.2 Clients

"Customer satisfaction" is a major concern of the Company. To this end, focus is made on the development of services and the creation of additional approved and licensed financial and investment instruments. A code of ethics is implemented; any claim or suggestion from clients is put into action immediately.

3.3 Employees

Employees are key to the company's growth. Appropriate remuneration competitive to other companies in the same industry is provided and reviewed regularly. The Company remunerates staff in the form of salary and bonus based on their performance for both the short and long term. The Company may ask shareholders to approve an Employee Stock Ownership Plan (ESOP) (if any) to create motivation and sense of participation in the ownership of the Company.

The Company provides orientation programs and a corporate manual for new employees outlining its policies, focusing on its rules and regulations and associated disciplines. It also covers benefits and welfare, leave obligation, group medical & hospitalization insurance scheme, group life & accident insurance plan and provident fund. Focus on the capability of employees is provided by in-house training and external seminars to increase their knowledge, ability and efficiency to enable them to cope with dynamic changes in rules, products and technology. Employee brain storming, and the creating and sharing opinions is strongly encouraged. Such things to emerge from this access have been the energy saving project, the development of working systems, derivatives products, the financial advisory program and etc.

The Company also promotes activities to harmonize and sustain good relationships among employees such as an Annual Blessing Ceremony, recreation activities, sports days and awareness of health and hygiene.

3.4 Governance office, Government, Public Corporate

The Company adheres to the rules and regulations of the finance sector, the SET and the SEC and gives them its full co-operation when the need arises.

The Company also adheres to the rules and regulations of other government organizations which have a bearing on its business and role in the community, such as the Revenue Department, Bank of Thailand, Ministry of Finance, Labor Department and Ministry of Commerce.

It also supports organizations, such as the Thai Institute of Directors Association (IOD), where the Company's directors have joined its seminars and undertaken training conducted by the Institute. The company also is an active and cooperative member of ASCO. In 2013, the Company instituted a policy on anti-corruption across the entire organization from the Board level down. It is prohibited to offer or receive any benefit in exchange for doing, or avoiding from doing, one's duties or undertaking any unethical conduct aimed at gaining personal benefit, or for entering into inappropriate business activities. The Company ensures all employees participate in risk assessment procedures to ensure that risk is managed within the company guidelines.

The policies include a policy of zero tolerance of bribery to all employees and the public in every channel, training programs, regulation, a sanctions procedure and "Whistle-Blowing" channels. The anti-corruption program is reviewed to ensure that it is well-designed and effective.

Procedures for the continuing appropriate training of directors, managers and employees so that they clearly understand the Company's program, know the Company's expectations and the sanctions procedure in the event of a violation are in place.

Employees are trained both internally and externally and are provided with secure and accessible channels through which they are able to raise concerns and report violations ("whistle blowing") in confidence. Employees are encouraged to seek guidance or discuss issues about this program.

3.5 Society, Community, Environment

The Company is fully aware of its social responsibility and participates in several social services. Environmental friendly practices that preserve natural resources are encouraged, such as the use of paperless technologies via the use of electronic-mail and other modern communication tools and recycles any suitable paper. It also looks to effectively reduce electricity consumption and other associated environmental costs.

3.6 Creditors, Suppliers, Competitors

Responsibility to outside organizations and agents, such as creditors, suppliers and competitors is at the forefront of company thinking. It strives to treat them fairly and equitably in any negotiations, based on good business practices, and does not take advantage of its competitors.

There are clear procedures on whistle-blowing for related parties or stakeholders and these are published on the website or annual report.

All stakeholders can lodge their complaints directly to the Company or express opinions through various channels as follows:

Corporate Governance Committee

E-mail: Zmico_CG@seamico.co.th
 Fax: +66 2 624 6398
 Mail: Corporate Governance Committee
 Seamico Securities Public Company Limited
 287 Liberty Square 18th Floor, Silom Road
 Bangrak, Bangkok 10500, Thailand

Company Secretary Office

E-mail: Zmico_CompanySecretary@seamico.co.th
 Fax: +66 2 624 6398
 Mail: Company Secretary Office
 Seamico Securities Public Company Limited
 287 Liberty Square 18th Floor, Silom Road
 Bangrak, Bangkok 10500, Thailand

The structure of the businesses of the Company's and Articles of Association are available on the website.

4. Disclosure and Transparency

Disclosure policy

The Board of Directors implements and directs the Company's policies by monitoring and supervising its operations to maximize economic value and long-term shareholders' wealth. The Company treats all fairly. Sufficient information shall be disclosed to all concerned persons and shall comply with the laws and regulations of all regulating units.

Company policy requires that all important related transaction must be approved by Board of Directors.

In addition, the Company has follows the principles of Good Corporate Governance as outlined by the Thai IOD.

Directors and Management's Securities Holding

The Change in directors and management's securities holding

Director / Management	No. of Shares Held			% of Shareholdings	
	31 Dec. 16	Changed during 2017 Increase / (Decrease)			31 Dec. 17
		Acquisition	Disposition		
1. Mr. Suthep Wongvorazathe	100,000,000	-	-	100,000,000	7.647
Spouse and Minor Child	-	-	-	-	-
2. Mr. Chaipatr Srivisarvacha	840,800	9,782,800	-	10,623,600	0.812
Spouse and Minor Child	-	-	-	-	-
3. Mr. Pinit Puapan	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-
4. Asst. Prof. Pimol Srivikorn	31,373,300	-	-	31,373,300	2.399
Spouse and Minor Child	-	-	-	-	-
5. Mrs. Phornpun Phornprapha	182,100	-	-	182,100	0.014
Spouse and Minor Child	-	-	-	-	-
6. Mr. Peter J. Emblin	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-
7. Mr. Peter E. Romhild	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-
8. Mr. Jesadavat Priebjrivat	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-
9. Dr. Tanasak Wahawisan	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-
10. Mr. Supachai Wongvorazathe	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-
11. Mr. Chirayu Chueyam	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-
12. Mr. Terapatr Mathanukraw	17	-	-	17	0.000001
Spouse and Minor Child	-	-	-	-	-
13. Ms. Sumalee Tangsajjanurak	-	-	-	-	-
Spouse and Minor Child	-	-	-	-	-

The structure of the Company's business groups has been disclosed under the section BUSINESS OVERVIEW and on the website.

In 2017, the Company's directors participated in various training courses. Details are shown in the section Directors Training.

Directors' reporting

The Board of Directors is responsible for the accuracy, completeness and transparency of the Company's financial reports and non-financial reports that are disclosed to shareholders and investors.

The Board of Directors has appointed an Audit and Risk Management Committee to review the sufficiency, credibility and objectivity of financial reporting and to review the adequacy and effectiveness of internal controls and compliance with Laws and the Company's policies, as well as to consider and advise on the appointment of external auditors and their audit fees.

The Board of Directors is of the opinion that the Company has prepared its financial reports in accordance with normally accepted accounting standards. Sufficient information is disclosed, and no transaction has been found that might materially affect the reports. The internal audit and control system is appropriate and effective, and applicable laws and regulations have been complied with.

Remuneration of directors and management

Director Remuneration

All director remuneration is presented clearly, transparently, and the amount is appropriate with each one's responsibility. The total amount did not exceed the approved amount set by the shareholders' meeting.

Principal

The Compensation Committee had proposed the directors' remuneration which had been thoroughly considered numerous factors and references from the similar industries including the future business expansions.

The Annual General Meeting of Shareholders for the year 2017 dated 27th April 2017 approved directors' remuneration which comprised of the retainer fee, attendance fee and the annual director bonus for the year 2017 in total at the amount not exceed Baht 9,000,000. Details are as following.

Retainer Fee

- Chairman of the Board : 2 times of other Board members
- Other Board members : Baht 25,000 per month

Attendance Fee

Committee	Chairman (Baht/Time)	Member (Baht/Time)
Board of Directors Meeting	20,000	15,000
Audit and Risk Management Committee Meeting	30,000	25,000
Other Committee Meeting	20,000	15,000

Directors' Bonus

The Board of Directors will consider the allocation with the criteria as in the past.

Other Fee

-None-

Management Remuneration

The remuneration of management is set according to the regulations and policies of the Board of Directors and is approved by the Company's Compensation Committee based on the Company's performance, return on equity and industry standards.

The remuneration for the Chief Executive Officer is comparable to the industry, his experience, duties and scope of responsibilities including his performance. The Compensation Committee is responsible for approving the compensation for the Chief Executive Officer.

The remuneration for the Chief Executive Officer is through salaries, bonus (bonus payment will be depended on the results of operations of the Company and the executive performance) and contribution to a provident fund.

The Chief Executive Officer is not entitled to receive remuneration as a director. His long-term compensation is up to the discretion of the Board of Directors.

Remuneration in 2017

See details in "REMUNERATION FOR DIRECTORS AND MANAGEMENT".

Board of Directors meetings

According to the Company's articles of association, Board of Directors' meetings are to be held at least once every three months with the schedule of meetings delivered to all directors in advance. However, other meetings may also be held when appropriate. The Company Secretary will inform all board members of the date, time and venue of any meeting and send documents for the meeting to all directors in advance.

During each meeting, the directors may raise any additional matter for consideration, and each director may also freely present his or her opinion. The minutes of each meeting shall be presented to the Board of Directors to be certified and kept for future reference. Reports of securities holdings in the Company and the directors' attendance records have been presented to Board of Director meetings since 2001.

The attendance record of Directors for 2017 are shown in the section "ATTENDANCE RECORD IN 2017"

Investor relations

The Board of Directors works to ensure transparency in the disclosure of timely and accurate material information regarding financial information or any significant information, which might affect the Company's share price.

The channels for disseminating information are through the Regular SET Information Management System (RSIMS), the Company's website, Press Releases, etc.

Apart from this, any investor can check the Company's information via phone or Company's website about Investor Relationship or recommendation of analyst. The details are as follows;

Seamico Securities Public Company Limited
287 Liberty Square Building 18th Floor,
Silom Road, Bangrak, Bangkok 10500, Thailand
Telephone: +66 2 624 6399 Fax: +66 2 624 6398
www.seamico.com

5. Board Responsibilities

Leadership and vision

The Board of Directors consists of directors who have adequate education, capability and experience to provide benefit to the Company.

The Board of Directors participates in developing the vision, strategy, goals and plans of the Company.

The Board of Directors monitors the members of management by:

- Explicitly segregating duties between each committee and management.
- Establishing an Audit and Risk Management Committee composed solely of independent directors and outside directors to oversee the Company's financial reports and internal controls.
- Sending a Compliance and Internal Audit report directly to the Audit Committee.
- Setting up an authorization level appropriate for internal control and risk management.
- Established a Corporate Governance Committee.

The Board of Directors has the power to oversee:

- The Company's Management acts in accordance with its objectives, the Articles of Association, resolutions of Shareholders' Meeting as prescribed in Public Company Act, B.E. 2535.
- Any transaction or any act which may have material effect on the financial position, obligation on liabilities, and reputation of the Company, e.g. borrowing money from financial institution.
- Any connected transaction between the Company, its subsidiaries, or affiliated companies and connected persons that does not require approval from a Shareholders' Meeting.
- Internal control systems and efficient internal audit procedures.
- Financial and other information reporting to shareholders and other concerned parties.
- Nominate and define scope of duties and responsibility of Sub-Committees.
- Nominate and change authorized signatories who can bind the Company.
- The policies, business strategies, business plan, and annual budget for the Company.
- Results of the work and business performance of the Company quarterly and annually.
- Any contract that is not the normal business of the Company, or any material contract of a normal business nature.
- The principles of good corporate governance.
- Amend or change the scope of authorities and responsibility of the Board as mentioned above.

Director Training

The Company has a Directors' handbook for new directors to introduce the Company's business, services, structure, and management team.

Directors will continuously receive information by attending seminars arranged by organizations such as the SET or SEC in order to remain up to date and keep abreast with new business development. The Company shall encourage and facilitate training for directors regularly

No individual Director of the Company may sit on more than five boards of listed companies simultaneously without exception. And independent directors may not serve on the board beyond nine years from the date of their first appointment without exception.

The structure of the board shall consist of directors with various qualifications, skills, experience, gender and expertise that are useful to the company, and at least one non-executive director must have prior working experience in the securities business.

In 2017, the Company supported directors in attending the continuing the below development programs or seminars for director.

Director's Name	Course	Institution Name
Mr. Chaipatr Srivisarvacha	<ul style="list-style-type: none"> Advanced Audit Committee Program (Class 25/2017) 	Thai Institute of Directors
Mr. Pinit Puapan	<ul style="list-style-type: none"> Executive Energy Program (EEP3) (2017) 	The Federation of Thai Industries

Board self-assessment is conducted yearly, to allow all members of the board to consider the board's performance and solve any problems they may have. A benchmark of the board's performance should be systematically set in advance.

Conflict of interest

The Company guards against conflicts of interest, as follows:

- Determines prices and conditions equivalent to the fair value applied to other parties.
- Complies with SET, BOT and SEC regulations.
- Discloses connected transactions in its Financial Statements, Annual Reports (in the Audit and Risk management committee report) and Forms for Annual Information (Form 56-1) for shareholders.
- Implements written compliance policies to ensure that management or related parties do not benefit from inside information which are regulated by the Compliance and Internal Audit functions.

Code of ethics

The Board of Directors performs their duties in accordance with the law, the Company's objectives and Articles of Association, as well as by resolutions of the shareholders' meetings.

The code of ethics is stated in the compliance manual provided to management and employees for acknowledgement and agreement to practice at the time they join the Company. The penalty for failing to comply with the code of ethics is also specified in the manual.

- **The balance of power for non-executive directors**

The Board structure of the Company has been determined by the following:

The Composition of the Board of Directors

Executive Directors	2 persons
Non-Executive Directors	8 persons

Consisting of:

Independent Directors	5 persons
Other Directors	3 persons

- **Chairman' Responsibilities**

1. To monitor and administer the other sub-committees to achieve their objectives as plans.
2. To preside over the Board of Directors meetings and shareholder meetings.

- **The Appointment of Audit and Risk Management Committee**

To be as transparent as possible, the Company has appointed a specific committee, the Audit Committee, to oversee financial reporting, the internal control system and corporate governance to comply with the Company's policy, nominate a person, who is independent, to be in charge as an auditor of the Company, as well as to consider dismissal of the auditor and propose a remuneration of the auditor to the Board of Directors of the Company. The Audit and Risk Management Committee receives information directly from the Compliance and Internal Audit Department. Meetings are held at least once every three months or on any urgent occasion.

- **Aggregation or segregation of positions**

The Chairman has no relationship with the management. The Chairman is not the same person as the Chief Executive Officer in order to segregate duties for directing the Company's policies and day-to-day management.

- **Committees**

Various committees have been established, such as:

- Investment Committee
- Audit and Risk Management Committee
- Nominating and Compensation Committee
- Corporate Governance Committee

These assist the Board of Directors in overseeing matters assigned by the Board of Directors. The composition of the Audit and Risk Management Committee and Nominating and Compensation Committee is composed of independent directors in order to maintain independence and transparency.

- **Control system and internal audit**

Details of the Company's control system and internal audit system are summarized, as follows:

In relation to operational controls

The Company applies internal control and audit systems throughout the organization by discriminately reviewing each department's revenue from operations and control departments. The Company has documented the scope of responsibilities for each function comprising operation, audit and authorization to ensure a proper check and balance system and calls for regular financial reports to relevant management.

In relation to internal audits

The Company has established a Compliance and Internal Audit Department. Its main duty is to consider and review the implementation of the Company's policy, financial transactions and compliance to relevant laws and regulations and the Anti-Money Laundering Control Act. The Company has also contracted an outside audit firm to conduct independent reviews and assessments of the IT security control environment as defined by the SEC. All significant issues are duly rectified and reported to the Audit & Risk Management Committee. In order to have independent management, the Company's Board of Directors assigned the head of the Compliance and Internal Audit Department as the secretary of the Audit & Risk Management Committee. In addition, the Compliance and Internal Audit Department hold meetings to report its findings directly to the Audit and Risk Management Committee without the participation of management.

In relation to risk management

The Company established a Risk Management Committee for the purpose of determining the policies and scope of authority for risk management and to develop a practical and effective risk management system to maintain an acceptable level of risk exposure by assigning a Risk Management Office to develop and maintain the risk management system. This was accomplished by co-ordination with executives in all business functions to identify, measure and assess risks as well as review and monitor the results of risk identification and report the related risk information to the Risk Management and Audit & Risk Management committees. There will be a revision of the policies, procedures and measures in regard to risk management every two years. The Compliance and Internal Audit department monitors and audits all business activities for strict adherence to the Company's risk management policy and reports discrepancies in practices to the Audit and Risk Management Committee.

The Board of Directors is committed to conducting its business in compliance with the good corporate governance principles and guidelines set by the Stock Exchange of Thailand (SET). The Company is determined to apply good corporate governance as its guiding principle in conducting business for the efficiency of its management and sustainable business development. In 2006, the Company implemented the Principle of Good Corporate Governance and published a handbook for all directors and staff to ensure that all policies are strictly adhered too. The essentials of the Company's corporate governance practices are as follows:

The Principles of Corporate Governance of Seamico Securities Public Company Limited

1. Philosophy of Work of the Company

Seamico Securities Public Company Limited relies on 4 principles of Good Corporate Governance, namely: Responsibility & Accountability, Honesty & Integrity, Transparency, and Creation of long-term value to all persons sharing in joint-benefits (stakeholders). To achieve Good Corporate Governance, 3 necessary factors must exist - Professionalism, Good Internal Control Systems, Transparency and Fiduciary Duties towards all stakeholders, which includes Shareholders, Customers and Employees

2. Policies Concerning the Board of Directors

The members of the Board of Directors shall strictly comply with the codes of conduct of a director in compliance with all laws, for the benefits of all stakeholders and with honesty and with no interest in the business either directly or indirectly causing a conflict of interest.

3. Structure of Board of Directors

The Board of Directors comprises of Executive and Non-Executive Directors, appropriately appointed and balanced, to appointed sub-committees to take charge of particular matters in supervising defined roles, for example,

- The Investment Committee
- The Audit & Risk Management Committee
- The Corporate Governance Committee
- The Nominating and Compensation Committee

The Nominating and Compensation Committee shall be responsible for nominating qualified persons from various fields to become a director replacing retired directors by rotation or for any other reason, and propose to the Board of Directors and/or the Meeting of the Shareholders, for resolution of such appointment. At every annual general meeting, at least one-third of the directors shall retire, and a retiring director is eligible for re-election. The term of a sub-committee shall be in compliance with the office term of the director of the Company and the specific duties and responsibilities of the said sub-committee.

The Company gives appropriate remuneration to the Board of Directors of the Company comparable to industry standards. Information on remuneration is clearly disclosed in the annual report.

4. Duties and responsibilities of the Board of Directors

The Board of Directors has the duty to determine the vision, mission and business policies of the company to comply with its corporate governance principles and practices in accordance with the guidelines of the SET, BOT and SEC by the appointment of a suitable person to the Management who can carry out his work independently from any shareholder and has the skills in business management and administration.

The Board of Director manages conflict of interest with care, fairness and transparency with the full disclosure of information. In the case where any director has an interest in the matter, such director shall not attend the meeting or cast a vote on that matter.

The Board of Directors has set up an independent Compliance and Internal Audit Department and a Risk Management Office. The Audit & Risk Management Committee is also entrusted to evaluate the efficiency of the internal control and risk management systems and reporting regularly to the Board of Directors.

The Board of Directors is aware of its duty to ensure that all shareholders, both major and minor, in accordance with their rights and equitability, receive correct, complete, transparent information and news.

At a meeting of the Board of Directors, at least one half of the total number of directors present shall form a quorum. In the year 2017, all directors attended at least two-thirds of total number of board meetings held during the year. The Company has a policy that each director should attend at least 75%.

The Company has appointed a Company Secretary who is educated and trained in company secretarial practices as shown in "DIRECTORS AND MANAGEMENT PROFILES"

Work Performance of the Board of Directors

The Board of Directors shall convene at least 4 times a year. The consideration of agenda shall rely on the fair treatment of all shareholders and interested persons. Sub-committees shall be obliged to hold meetings as per the duty entrusted to them.

The Board of Directors shall report the operational results together with a report of the auditors and the Audit & Risk Management Committee in the annual report and shall prepare the disclosure of information under the relevant laws and regulations.

The Board of Directors shall hold a Shareholders' Meeting, the Annual General Meeting, within 4 months after the yearend. The Board of Directors may at any time call an Extraordinary Meeting of Shareholders. The Company shall deliver the notice to shareholders and agenda of all meetings with the clear opinion of the Board of Directors in each agenda at least 14 days prior to the date of the Meeting.

5. Duties and Responsibilities of the Management

The Executive Management shall have responsibilities assigned to them by the Board of Directors with the aim to be the most efficient in conducting their duties with honesty and in compliance with the vision, mission and corporate value as determined by the Board of Directors, and shall report the operational results regularly to the Board of Directors.

6. Policy on Conflict of Interest

The Company provides a Compliance Manual which specify the Company's rules. Executives and Employees must sign their acknowledgement of these rules and strictly follow them for the transparent and fair treatment of the related persons in every group, such as:

The Board of Directors has appropriately considered a conflict of interest, related items or connected items as well as has disclosed information to the public on the items likely to have a conflict of interest.

The company has a policy to supervise the use of inside information of every department and regulate the trading of securities by directors and employees.

7. Policy on Internal Control and Risk Management System

The Company has a policy to provide an internal control system that is efficient enough for the acceptable risk level by determining the measures and internal control procedures in line with the work environment and encourage a balance between the flexibility in performing work and the sufficiency of efficient internal control as well as uphold the Risk Management Policy as directed by The Board of Directors. Executives and employees are responsible for assessing, monitoring, and promoting the efficient risk management system and structure.

8. Policy on Accounting and Financial Transactions

The company provides accounting and financial reports that are correct, timely and accountable. They shall be complete documents, which make available for distribution appropriate and timely information. The accounting and financial reports are prepared based on appropriate and consistent accounting policies, and in line with generally accepted accounting principles, including the sufficient disclosure of significant information.

9. Policy on the Trading of Securities

The Board of Directors and Executive Management shall have the duty to report their securities holding in compliance with the rules and regulations of the Securities Exchange of Thailand and the Securities and Exchange Commission. The Company also prohibits relevant persons who have known or may know any inside information from trading in related shares if the relevant information has not been disclosed to the public, including prohibiting the directors, Management Department and employees who are participating in the preparation, or having known the significant internal information, from selling or purchasing of the Company shares at certain times. Any individuals found violating the restrictions shall be subjected to disciplinary action and/or the law, as the case may be.

10. Policy on the Social Responsibility

The Company has a social responsibility and contributes to social development by allocating certain amounts of its annual budget to support social activities such as Education, Public Benefits, or relief works for victims of natural disasters.

1. SUB-COMMITTEE

1. Investment Committee

Name	Position	Meeting Attended in 2017
1. Mr. Suthep Wongvorazathe	Chairman	11/11
2. Mr. Chaipatr Srivisarvacha	Director	11/11
3. Mr. Pinit Puapan	Director	9/11
4. Assistant Professor Pimol Srivikorn	Director	7/11
5. Mr. Peter J. Emblin	Director	10/11
6. Mr. Supachai Wongvorazathe*	Director	7/7
Mr. Chirayu Chueyam	Secretary	

* Mr. Supachai Wongvorazathe had been appointed as a Non-authorized Director by AGM's resolution on 27th April 2017 and approved by the SEC on 11th May 2017 and registered with the MOC completely on 16th May 2017.

Scope of Duties and Responsibilities of the Investment Committee

- The Investment Committee shall be responsible for reviewing and approving investments and their subsequent divestment.
- The Investment Committee will establish the investment criteria for all the Company's investment and such criteria will be approved by the Board of Directors.

2. Audit and Risk Management Committee

Name	Position	Meeting Attended in 2017
1. Mr. Peter E. Romhild	Chairman	3/4
2. Mrs. Phornpun Phornprapha	Director	2/4
3. Dr. Tanasak Wahawisan	Director	3/4
Mr. Sombat Vithayavatcharoen	Secretary	

The members of Audit and Risk Management Committee have knowledge of accounting and experience in auditing financial statements.

Scope of Duties and Responsibilities of the Audit and Risk Management Committee

1. Review the sufficiency, credibility and objectivity of the financial reporting by coordinating with the external auditors and management responsible for preparing the quarterly and yearly financial reports. The Audit and Risk Management Committee may suggest issues or matters to be included for review or audit by the external auditors during its audit of the company.
2. Review the adequacy and effectiveness of the internal control systems and internal audit functions by coordinating with the external and internal auditors.
3. Review and approve audit plans, budgets and manpower of Compliance and Internal Audit Department.
4. Consider and review independent and auditing results of Compliance and Internal Audit Department.
5. Participate on the appointment, dismissal, resignation and evaluation of head of Compliance and Internal Audit Department.
6. Review the adequacy and effectiveness of the risk management control system by coordinating with Risk Management Committee and Risk Management Office.
7. Review compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws.
8. Consider and advise the appointment of the external auditors including the audit fee by considering the creditability, the adequacy of its resources, the firm's audit engagements, and the experience of its supervisory and professional staff.
9. Consider compliance with all connected transaction disclosures or the conflict of interests disclosures.

10. Take care of any other matters assigned to it by the board of directors, such as reviewing the company's financial and risk management policies, reviewing compliance with the Code of Corporate Conduct of the management, and reviewing with the company's management, all important reports which must be disclosed to the public according to the law. (e. g. Management Discussion and Analysis (MD&A), etc.).
 11. Report the activities of the Audit and Risk Management Committee in the Company's annual report, which must be signed by the chairman of the Audit and Risk Management Committee. The following information should be included in the report:
 - Comments on the Company's financial reporting process and the disclosure of its financial information, which must be correct, sufficient, and credible.
 - Comments on the adequacy of the Company's internal control systems.
 - Statements on whether the Company's auditor is suitable for re-appointment.
 - Comments on compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws.
 - Other statements that shareholders and general investors deem to be considered under the scope of the functions and responsibilities assigned to them by the board.
 12. Review Charter of Audit and Risk Management Committee at least once a year.
 13. Perform self-assessment at least once a year and report the results to the Board of Directors.
 14. Take all necessary actions to insure that the Board of Directors / Executive Management have evaluated, addressed and are monitoring the material risk associated with the Company's operations.
3. Nominating and Compensation Committee

Name	Position	Meeting Attended in 2017
1. Mr. Suthep Wongvorazathe	Chairman	2/2
2. Mr. Peter E. Romhild	Director	2/2
3. Mr. Peter J. Emblin	Director	2/2
Mr. Chaipatr Srivisarvacha	Secretary	

Scope of Duties and Responsibilities of the Nominating and Compensation Committee

1. To consider, make decisions and submit the remuneration of Top management as specified below for the Board and/or Shareholders' meeting approval.
 - Board of Directors' Remuneration
 - Senior Management Compensation
 - Senior Management Contracts
 - Overall remuneration increase

2. To consider, comment, and evaluate ESOP Schemes for employees and Directors. The final ESOP Schemes (if any) must be submitted to Board of Directors and/or Shareholders' meeting for approval.
 3. To propose the suitable person to be director of the Company and take responsibility in setting criteria of selecting the most suitable candidate.
4. Corporate Governance Committee

Name	Position
1. Assistant Professor Pimol Srivikorn	Chairman
2. Mr. Jesadavat Priebjivat	Director

Scope of Duties and Responsibilities of the Corporate Governance and Nominating Committee

1. Review operational guidelines and Corporate Governance to ensure consistency and compatibility with the company's business.
2. Review and evaluate the practical results of Corporate Governance at least once a year.
3. Report to the Board of Directors on matters related to Corporate Governance and suggest improvements, where appropriate.
4. Propose the director evaluation process to the Board of Directors as well as evaluate and follow up on the improvement as evaluation results.

3. DIRECTOR SELECTION

1. Independent Director

Selection of Independent Director

In the selection of an independent director, the Nominating Committee shall use the same criteria as in the selection of other directors, but the independent director's qualifications shall not conflict with the below definition.

Definition of Independent Director of the Company

The definition of the Company's Independent Directors is equal to the minimum regulations of the SEC and SET as follows:

1. Holding not more than 1% of the shares with voting rights of the company, parent company, subsidiary company, associated company or any juristic person with possible conflicts of interest, which shall be inclusive of the shares held by related persons.
2. Being a director who does not take part in the management of the company, parent company, subsidiary company, associated company or any juristic person with possible conflicts of interest.
(Present and the past 2 years before appointed)

Not being an employee, staff member or advisor who receives a regular salary from the company, parent company, subsidiary company, associated company or any juristic person with possible conflicts of interest. (Present and the past 2 years before appointed)

3. Not being a relative or by a legal register, a father, mother, spouse, brother, sister or child including the spouse of such child, with director, management, major shareholder, controlling person of the company or the person who is going to be proposed as the management or the controller of the company or subsidiary company.
4. Not being professional advisor or having business relationship with the company, parent company, subsidiary company, associated company or any juristic person with possible conflicts of interest (present and the past 2 years before appointed). Details are as follow:
 - Professional advisor
 - Auditor - not allowed in all cases.
 - Other advisors (ex; legal advisor, financial advisor, appraiser) - not allowed for case(s) with value of transactions > 2 million Baht per year.
 - Business relationship
 - Scope - cover normal business transaction, rental or lease of immovable property transaction, asset or service transaction, and financial assistance transaction.
 - Value of transactions - not exceeding 20 million Baht or 3% of Net Tangible Assets, whichever is lower (including transactions undertaken with the same person over the last year).
 - For existing independent director, any case deemed to be necessary and appropriate and not be a regular case, the board of directors with unanimous resolution may exempt the transaction which exceeds the above value. In such case, the company will disclose such transaction in its registration statement, Form 56-1 and annual report. If an ID is to be re-appointed for another term, such relationship must also be disclosed in the notice of meetings.
5. Being a director whom is not appointed as a representative to safeguard interests of the company's directors, majority shareholders or shareholders who are related to the company's majority shareholders.
6. Being capable of performing duties, giving opinions with independence.
7. An ID who satisfies qualification specified in 1 to 6 above may be empowered by the board to make decision in normal business operation provided that the decision process is in form of collective decision.

2. Director Selection

Nominated potential directors shall be considered by the Nominating Committee. The Nominating Committee shall evaluate the suitability of each candidate based on the criteria and suitable qualifications that the committee has set up and shall propose the said person to a meeting of the Board of Directors and/or shareholders for consideration in accordance with the Company's Articles of Association.

Director qualifications as specified by the Principles of Corporate Governance of the Company and Securities and Exchange Act

The Company's director must have the full qualifications and must not have any prohibited characteristics for being a member of a Board in accordance with Section 103 of the Securities and Exchange Act B.E. 2535 and any notifications announced in accordance with the same Section.

The Board of Directors shall strictly comply with the codes of conduct of directors in compliance with the law for the benefits of the stakeholders with honesty and with no interest in the business either directly or indirectly, as well as prevent conflict of interest.

At least half of the directors shall be residents of the Kingdom of Thailand.

The Criteria and procedure to elect directors at the shareholders meeting in accordance with the Company's Articles of Association shall be as follows:

- a) Each shareholder shall have one vote for each share held;
- b) Each shareholder shall exercise all votes applicable under (a) in voting for one or more persons to be a director provided that a vote shall not be divisible;
- c) Candidates who have the most votes shall be elected to the Board of Directors according to the number of directors required; in case votes for two or more candidates are equal, the Chairman shall have the deciding vote.

Therefore, all shareholders have the right to select a director by attending shareholders' meetings and voting in accordance with the Company's Articles of Association.

The Company realizes the importance of Good Corporate Governance and realizes that the growth and success of the Company are derived from the support of all groups of stakeholders. The Company ensures that all shareholders are treated equally concerning the rights and benefits they deserve. Shareholders can propose additional agenda items and nominate candidates for Company director through the Company's website before the AGM.

4. SUBSIDIARIES AND ASSOCIATES COMPANY SUPERVISION

The Company holds shares in subsidiary and associated companies as follows;

1) Solaris Asset Management Co., Ltd. (Subsidiary Company)

	Name	Shareholding (%)
1.	Seamico Securities Plc.	99.99
2.	Other Shareholders	00.01

2) Lumpini Asset Management Co., Ltd. (Subsidiary Company)

	Name	Shareholding (%)
1.	Seamico Securities Plc.	99.99
2.	Other Shareholders	00.01

3) KT ZMICO Securities Co., Ltd. (Associated Company)

	Name	Shareholding (%)
1.	Krungthai Bank Plc.	50.00
2.	Seamico Securities Plc.	49.71
3.	Other Shareholders	0.29

4) Scentimental (Thailand) Co., Ltd. (Associated Company)

	Name	Shareholding (%)
1.	Seamico Securities Plc.	46.00
2.	Mr. Niphon Raksriakorn	25.00
3.	Myanmar Personal Care Co. Pte. Ltd.	14.00
4.	Mr. Charin Saksirisilp	10.00
5.	Mr. Robert Man Fai Li	5.00

5) Absolute Yoga Co., Ltd. (Associated Company)

	Name	Shareholding (%)
1.	Ms. Benjaporn Karoonkornsakul	40.00
2.	Seamico Securities Plc.	30.00
3.	Ms. Chittima Karoonkornsakul	20.00
4.	Ms. Orawan Karoonkornsakul	5.00
5.	Ms. Anchalee Karoonkornsakul	2.50
6.	Ms. Ratana Karoonkornsakul	2.50

The Company has rules for new directors, or the management in subsidiary and associated companies, who are legally authorized to act on behalf of the Company who must be appointed by the Board of Directors. The Board of Directors must consider the person who has the appropriate qualifications and no prohibiting characteristics as specified in Securities and Exchange Act. In the case the Board of directors will appoint a person to be an independent director or Audit and Risk Management Committee director or any other sub committees the Company will do this within comp the Act. Furthermore, the directors and the managers of subsidiary and associated companies must be granted approval by the office of the Securities and Exchanges and/or the Bank of Thailand too.

The Company determines the powers and duties of directors and management who are legally authorized to act on behalf of the Company, its subsidiary or associated companies, in controlling or participating in any important policy relating to the business operations. The company will comply with the effective internal control system by determining operating procedures, delegation of approvals to prevent the directors or the management engaging in any act which may cause damage to any subsidiary and associated companies.

The Company has the mechanisms for controlling subsidiary and associated companies regarding the disclose of their financial position and results of operations, Disclosure of information and other acts of listed companies concerning connected transactions, Disclosure of information and other acts of listed companies concerning the acquisition and disposition of assets, or any important transactions, is consistent with the criteria of the Company. Some subsidiary and associated companies are securities companies. They have duty to disclose information as specified by law and the Company, subsidiary and associated companies have the staff to coordinate disclosure. Furthermore, Each Company has an Audit and Risk Management Committee or independent compliance officer to supervise or give opinions in order to comply with relevant laws. The person who is appointed to be a director of a subsidiary and/or associated companies has a duty to operate transparently the business for the best interest of these companies.

The Company has determined suitable internal control systems for subsidiaries companies and mechanisms to supervise its such as

1. In Shareholder meetings, the Company on behalf of the major shareholders has the right to vote on important agenda items such as increase or reductions of capital, Dissolution of subsidiary company etc.
2. In management terms, the Company determines the representative who is assigned as the director or the management of subsidiaries companies and who has the duty to report the results of operations including any problems, ensuring the Board of Directors' meets at least every quarter or in the case of emergency. The Company will have a meeting for acknowledgement and approval or rectification of any problems.

The Company has entered into an agreement with Krungthai Bank Plc. to manage KTZMICO, an associated company. This agreement follows the transfer by the company of its operating assets and major staff to KTZMICO to protect the business from higher competition as a result of liberalization of the securities business. The Company has temporarily ceased its operation of its securities and derivative business to act in accordance with the agreement between the Company and KTB and both parties can appoint their representatives to be directors and management.

In 2017, the Board of directors had the role to supervise the operations of the Company in accordance with all laws and regulations. The Company did not fail to comply with the law.

5. SUPERVISION ON USING INSIDE INFORMATION

The Company has formulated policies and measures as specified in its Compliance Manual, as well as other Company procedures and other relevant rules to prevent the Company, its management and employees from using inside information arising from their duties for their own interests.

The various preventive policies and measures relating to inside information are as follows:

1. In reference to the Company's organization, each department is clearly divided according to its particular function. A secure entry system is used by all departments dealing with important and confidential information, such as Investment Banking, Research, Securities Trading, Debt Trading, Finance & Account, Risk Management, Operation and Information Technology.
2. Rules preventing conflicts of interest specify that employees shall perform their tasks in accordance with the Company's code and standard practices so as to avoid a probable conflict of interest, which can be monitored, as follows:
 - 2.1 According to Employee Trading Regulations, all employees shall open a trading account only with the Company. For transparency, fairness and appropriate compliance and internal control purposes, they shall disclose trading information of related persons who have a trading account with the Company or other brokers.
 - 2.2 In reference to Prohibited Trading in the Company's Securities regulation, Directors, Executive Management and Related Officers are prohibited from buying/selling securities of the Company using inside information arising from their duties which may significantly affect the price of the Company's securities from the end of an accounting period until the day after the announcement of financial statements to the public. Also, they must report changes in securities holding during Company Board meetings or disclose and certify that there is no conflict of interest when they consider transactions.
 - 2.3 With respect to the monitoring of disclosure of the Company's conflicts of interest by management and marketing officers, marketing officers who have a conflict of interest are to disclose such information prior to soliciting or persuading customers to trade in such securities. Also, the Company must provide a disclaimer in its research papers to comply with SEC regulations.

- 2.4 Management and all officers of the company and its subsidiaries are prohibited from subscribing to securities in which the Company is the underwriter during the specified underwriting period.
3. A Watch List, Restricted List and Research List shall be prepared as a tool to review compliance among employees, the management, or the investment committee who are in possession of inside information arising from their duties. Before such information is disclosed to the public, these persons are not allowed to trade securities on the predetermined lists for a certain period, either for themselves, for others, or on behalf of the Company.

In May 2009, the Company transferred its securities and derivative businesses, including its assets and key staff to KT ZMICO according to the plan to develop the securities business between the Company and Krungthai Bank Plc. The Company obtained permission from the Securities and Exchange Commission Office (SEC) and the Stock Exchange of Thailand (SET) to temporarily cease its securities and derivative businesses. As a result the company re-organized its organizational structure according to the new structure in order to have proper and efficient business management. As a result, the Good Corporate Governance, Internal control and the Measurement of the prevention of the use of inside information were adjusted accordingly. Under the new structure, the company has continuously maintained its major principals of good corporate governance.

The Compliance and Internal Audit department will report directly to the Audit Committee and shall exert its influence to ensure that the above policies and measures are carried out. In case the management or employees act in violation of the applicable policies and measures, they shall be subject to disciplinary action.

6. AUDITOR'S REMUNERATION

1. Audit fee

The Company and its two subsidiaries, Solaris Asset Management Co., Ltd. and Lumpini Asset Management Co., Ltd. paid audit fee to Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. for the year 2017 of Baht 870,000, 440,000 and 150,000 respectively.

2. Non-audit fee

-None-

7. OTHER CORPORATE GOVERNANCE

The Company as a securities company has complied with the laws and regulations and good corporate governance practices which improve its standards as follows

- 1) The Company applied for membership of the Compliance Club membership of the Association of Securities Company. The objective of this club is to promote the coordination of compliance officers to share information, knowledge, and review Rules and Regulations. Seminar are held between the members to increase the understanding of their work and to buildup good relationships between the member and Regulators.
- 2) The Company organizes for Compliance officers to take part in compliance seminars and courses which is in compliance with the SEC's regulation and take refresher course every 2 years after their first appointment.

Corporate Social Responsibilities

Seamico Securities Public Company Limited was highly focused on corporate social responsibility throughout the year. The Company was engaged in developing local communities as well as showing great concerns for global environmental through CSR campaigns. Apart from providing a complete range of securities services to support customers in their everyday life and business, we also help strengthen local communities and the nation with various activities including supporting the economy, education, environment, society etc.

The Company and KT ZMICO Securities Company Limited together with an affiliated company had approached to develop and contributed to major development with variety aspects through different organization who are serving with particular areas in which details of activities are as following.

- Education

Fostering a new generation of bright and ethical people is the best investment for the future, so learning and development has always been one of the key initiatives project. In 2017 the company has granted funds to the following organization;

1. Scholarship for students at Saraburi province



2. Sanitary Facilities in Primary Schools at Chiangrai province



The old toilet building



Renovated toilet building



3. CCF (Community Children Foundation) Under the Royal Patronage of HRH Princess Maha Chakri Sirindhorn

An organization that mobilizes social engagement in child and youth development to enable them to grow up to be qualified adults.

4. Tak provincial office the non-formal and informal education



● Economy & Business

Sustaining economic development gives people the tools they need to help themselves, while also strengthening society. The company actively promotes balanced economic development through business training, education and the sharing of knowledge

1. Development of Pipeline Distribution System Project - Pupan Reservoir, Nan province



มอบเงินสนับสนุนโครงการ



การขุดดินเพื่อวางท่อส่งน้ำ



คณะผู้บริหารและภาคี เข้าเยี่ยมชมการดำเนินการขุดท่อ



2. Empowerment of Persons with Disabilities

To enhance the capabilities and participation of persons with disabilities, reduce isolation and economic precarity and improve their living standards by support in Social Innovation Foundation for the promotion of supplementary occupations for persons with disabilities project in Nan province.

● Medical

Enhancing healthcare system by donate for Princess Sirindhorn Craniofacial Center King Chulalongkorn Memorial Hospital, Phramongkutklao Hospital Foundation and Medical Center of Umphang Hospital.



*Princess Sirindhorn Craniofacial Center
King Chulalongkorn Memorial Hospital*



Medical Center, Umphang

● Lending Support for a Natural Disaster

The heavy rain has caused floods in many parts of Thailand particularly in the southern area, affecting many people and damaging homes and farms. To relief by making a donation to Thailand Sustainable Development Foundation and giving emergency survival kit to catastrophes in Nakhon Si Thammarat.



Emergency survival kit for catastrophes in Nakhon Si Thammarat

- Religion



Annual Merit and Dhamma Talk 2017

- Health & Wellbeing Program



How to fold lotus pedal with meditation workshop

- Royal Cremation Ceremony for the late King Bhumibol Adulyadej



- Employees

To provide our employees with a high quality of life, healthy lifestyle and fulfilling careers, Employees are encouraged to take part of any course of education to support their duty. Besides, the company promotes physical activities and sports among the employee. Sports can also use as a tool for healthy development and social development.



Singha Broker Cup 2017



Broker Badminton Championship 2017



SET-Broker Table Tennis Championship 2017

Internal Control and Risk Management

For 2017, the Audit and Risk Management Committee held 4 meetings with the management, the head of Accounting and Finance department, the head of Compliance and Internal Audit department, and the Company's external auditor including concerning management officers to review the quarterly and annual financial statements for 2017 and the disclosure of financial reports and notes to the financial reports, including regular discussions and recommendations concerning problems that might result in a violation of the applicable laws and regulations, as well as the sufficiency of the internal control system.

Based upon the information provided to us, the Audit and Risk Management Committee is of the opinion that the internal audit function, control system and risk management are satisfactory. We are unaware that significant laws and regulations have not been complied with in all material respects.

The Board of Directors is of the opinion that there is sufficiency and satisfaction in internal control system which could obtained reasonable assurance that the separate and consolidated financial statement of the company included the financial information stated in Annual Report for the year ended December 31, 2017 had presented fairly in all material respect, the financial position of the Company and its subsidiary.

Related Parties and connected transactions

Related party and connected transactions of the Company mainly were the purchase/sale of goods or services transactions associated with the Company's businesses. The pricing and fee charged to related parties were the arm's length price applied in the normal course of business as disclosed in the table. The approvals of related party transactions were in compliance with rule and regulations of the Securities Exchange Commission. As at 31 December 2017, the Company did not change policies or increase in related parties contracts.

1. Purchase / Sale of goods or services

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2017	2016	2015		
1) Solaris Asset Management Co., Ltd. (Seamico's current subsidiary) Related by way of common director is Mr. Chaipatr Srivisarvacha and Related by way of the company's representative as common director is Mr. Chirayu Chueyarn	<ul style="list-style-type: none"> - Accrued private fund management fee expenses - Management fee for private fund - Interest income from Bill of Exchange 	-	0.03	0.03	- At the rate determined under the contract 0.2% of net asset value per year - At the rate determined under the contract	The Company holds 100%
2) Lumpini Asset Management Co., Ltd. (Seamico's current subsidiary) Related by way of common director is Mr. Chaipatr Srivisarvacha and Related by way of the company's representative as common director are Mr. Chirayu Chueyarn and Mr. Terapatr Mathanukraw	<ul style="list-style-type: none"> - Other receivables - Rental income 	-	-	0.14	- Actual outstanding value of receivables - At the rate determined under the contract Baht 22,050 per month from May 2016 to January 2019	The Company holds 100%

1. Purchase / Sale of goods or services (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2017	2016	2015		
3) KT Zmico Securities Co., Ltd. (Seamico's current associated) Related by way of common director are Mr. Suthep Wongvorazathe, Mr. Chaipatr Srivisarvacha and Mr. Pinit Puapan	<ul style="list-style-type: none"> - Cash balance for securities trading - Other payables - Dividend received - Research fee income - Service expenses 	3.19 0.35 - 3.00 4.41	9.79 0.61 137.82 3.00 3.63	10.65 1.22 216.20 2.50 5.85	<ul style="list-style-type: none"> - Actual cash deposit - Actual outstanding value of payables - 2016: 1.07 baht per share - 2015: 1.68 baht per share - At the rate determined under the contract Baht 250,000 per month - At the rate determined under the contract at rate of Baht 487,500 per month since June 2014 at rate of Baht 197,500 per month since January 2016 at rate of Baht 407,500 per month since July 2016 at rate of Baht 288,900 per month since July 2017 at rate of Baht 310,300 per month since October 2017 onwards - At the rate determined under the contract - Actual expense incurred 	The Company holds 49.71%
4) Scentimental (Thailand) Co., Ltd. (Seamico's current associated) Related by way of common director is Mr. Peter E. Romhild and Related by way of the company's representative as common director is Mr. Chirayu Chueyarn	<ul style="list-style-type: none"> - Other fee expenses - Other service expenses - Interest income from Bill of Exchange 	2.25 - 2.85	1.17 - -	2.30 0.02 -	<ul style="list-style-type: none"> - At the rate determined under the contract - Actual expense incurred - At the rate determined under the contract 	The Company holds 46%

1. Purchase / Sale of goods or services (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2017	2016	2015		
5) Thanh Cong Securities Joint Stock Company Related by way of common director is Mr. Chaipatr Srivisarvachha	- Other receivables	-	-	0.01	- Actual outstanding value of receivable	The Company holds 18.88%
6) Beacon Offshore Ltd. (Seamico's associated until December 13, 2016) Related by way of the company's representative as common director is Mr. Chirayu Chueyjam	- Interest income from Bill of Exchange	-	0.54	2.89	- At the rate determined under the contract	The Company holds 18.70% and Seamico sold all ordinary shares of Beacon offshore Ltd. on December 13, 2016
7) Phra Khanong Land Co., Ltd. (Seamico's under joint control) Related by way of the company's representative as common director is Mr. Warot Wanankawit	- Interest income from Bill of Exchange	-	27.15	18.90	- At the rate determined under the contract	
8) Related between Solaris Asset Management Co., Ltd. and KT Zmico Securities Co., Ltd. (Seamico's current subsidiary and associated)	- Rental income - Management fee income for private fund - Selling agent fee expenses - Service fee expenses - Commission expense for securities trading	- - - 0.80 0.03	- - 1.69 0.80 0.01	0.37 0.14 1.47 0.80 0.01	- At the rate determined under the contract of Baht 30,525 per month since March 2014 - At the rate determined under the contract at 0.5% of net asset value per year - At the rate determined under the contract - At the rate determined under the contract of Baht 66,600 per month since June 2014 - At the rate determined under the contract	Cancelled the agreement on January 1, 2016

2. Purchase / Sale assets and investments

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes	
		2017	2016	2015			
1) Solaris Asset Management Co., Ltd. (Seamico's current subsidiary) Related by way of common director is Mr. Chaipatr Srivisanvacha and Related by way of the company's representative as common director is Mr. Chirayu Chueyarn	- Investment in common shares at the end of year	-	98.83	86.89	- Investment portion 100%		
	- Investment value in private fund at the end of year	-	57.26	58.41	- At net asset value of the fund		
	- Investment in private fund managed by subsidiary	-	-	200.00	- At investment value		
	- Withdrawal private fund managed by subsidiary	-	-	150.00	- At investment value		
	- Investment in debt securities - Bill of exchange	54.37	-	-	- At investment value		
	- Investment in Bill of exchange	430.00	-	-	- At investment value		
	- Withdrawal from Bill of exchange	350.00	-	-	- At investment value		
	- Investment in common shares at the end of year	25.00	25.00	25.00	- Investment portion at 100%		
	2) Lumpini Asset Management Co., Ltd. (Seamico's current subsidiary) Related by way of common director is Mr. Chaipatr Srivisanvacha and Related by way of the company's representative as common director are Mr. Chirayu Chueyarn and Mr. Terapat Mathanukraw	- Investment in common shares at the end of year	25.00	25.00	25.00	- Investment portion at 100%	

2. Purchase / Sale assets and investments (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2017	2016	2015		
3) KT Zmico Securities Co., Ltd. (Seamico's current associated) Related by way of common director are Mr. Suthep Wongvorazathe, Mr. Chaipatr Srivisarvacha and Mr. Pinit Puapan	- Investment in common shares at the end of year	1,244.10	1,244.10	1,244.10	- Investment portion at 49.71%	
4) Scentimental (Thailand) Co., Ltd. (Seamico's current associated) Related by way of common director is Mr. Peter E. Romhild and Related by way of the company's representative as common director is Mr. Chirayu Chueyarn	- Investment in common shares at the end of year - Investment value in debt securities - Bill of exchange - Investment in Bill of exchange - Withdrawal from Bill of exchange	13.80 52.26 80.84 57.15	- - - -	- - - -	- Investment portion at 46 % - At investment value - At investment value - At investment value	
5) Absolute Yoga Co., Ltd. (Seamico's current associated) Related by way of common director are Mr. Chaipatr Srivisarvacha and Asst. Prof. Pimol Srivikorn	- Investment in common shares at the end of year	217.80	-	-	- Investment portion at 30 %	
6) Thantong Securities Joint Stock Company Related by way of common director is Mr. Chaipatr Srivisarvacha	- Investment in common shares at the end of year	85.32	104.80	101.96	- Total investment 6,796,500 shares at the price VND 11,500 per share	The Company holds 18.88%

2. Purchase / Sale assets and investments (continued)

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2017	2016	2015		
7) Beacon Offshore Ltd. (Seamico's associated until December 13, 2016) Related by way of the company's representative as common director is Mr. Chirayu Chueyiam	<ul style="list-style-type: none"> - Investment value in Bill of exchange at the end of year - Investment in Bill of exchange - Withdrawal from Bill of exchange 	-	-	17.39	- At investment value	Seamico sold all ordinary shares of Beacon offshore Ltd. on December 13, 2016
8) Phra Khanong Land Co., Ltd. (Seamico's under joint control) Related by way of the company's representative as common director is Mr. Warot Wanankowit	<ul style="list-style-type: none"> - Investment value in Bill of exchange at the end of year - Investment value in preference shares - Investment in Bill of exchange - Withdrawal from Bill of exchange 	-	-	479.64	- At investment value	
9) KTZ Ruby Hill Securities Co., Ltd. (Invest by KT Zmico Securities Co., Ltd.) Representative from KT Zmico Securities Co., Ltd. as common director	<ul style="list-style-type: none"> - Advance payment for investment 	48.77	53.49	-	- At investment value	
10) Thai Food Group Plc. Related by way of common director is Mr. Chaipatr Srivisarvacha	<ul style="list-style-type: none"> - Investment in common shares and warrants at the end of year 	214.63	281.82	58.05	- At investment value	

3. Lending

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2017	2016	2015		
	- No transaction -					

4. Management contracts or agreements to provide assistance

Connected Party / Relationship	Description	Value (Baht Million)			Price / Fee	Notes
		2017	2016	2015		
	- No transaction -					

Audit Committee's opinion with regard to related parties and connected transaction as of December 31, 2017

Related Parties and Connected Transaction	Audit Committee's Opinion
1. Purchase / Sale of goods or services	The transactions are reasonable at market rate or fair value.
2. Purchase or Sale of assets and investment	The transactions are reasonable at market rate or fair value.
3. Lending	- No transaction -
4. Management contracts or agreements to provide assistance	- No transaction -

Policy and Related Parties and Connected Transactions in the Future

The Company's policy relating to connected transactions is to follow the guidelines in accordance with the Securities and Exchange Commission. Any connected transactions shall be considered in terms of transparency, fairness and benefit to the company.

The Company operated only Investment Advisory Service by ceased other types of Securities business. The types of connected transactions are mostly investment in subsidiary and associated companies also investment in mutual fund and private fund managed by subsidiary which related to normal business activities. The groups of related parties are disclosed in the "Related Parties and Connected Transactions" table above.

Management Discussion and Analysis

1. Overall operating results for the year ended December 31, 2017

Seamico Securities Public Company Limited (“The Company”) and its subsidiary incurred the net profit of Baht 9.87 million for the year ended December 31, 2017 comparing of the previous year with the net profit of Baht 227.02 million. The decrease in net profit of Baht 217.15 million are mainly from

Total revenues decreased of Baht 78.01 million due to fee and service income decreased of Baht 76.16 million from mutual fund and private fund management fee from subsidiaries decreased. In additional, the company recognized share of loss from associated companies under equity method of Baht 5.02 million which resulted from share of profit from KT ZMICO Securities Co., Ltd. (“KT ZMICO”) of Baht 1.58 million, share of profit from Scentimental (Thailand) Co., Ltd. (“Scentimental”) of Baht 0.36 million and share of loss from Absolute yoga Co., Ltd. (“Absolute”) of Baht 6.96 million and interest and dividend income decreased of Baht 2.93 million whereas gain on investment increased of Baht 194.71 million mainly from gain from reclassification investment port from available for sale investment to trading investment.

Total expenses increased of Baht 142.17 million due to the company recognized impairment loss from investment of Baht 127.26 million from investment in debt securities which the subsidiary invested of Baht 105.00 million, investment in Thanh Cong Securities Joint Stock Company (“TCSC”) of Baht 19.48 million and general investment of Baht 2.78 million whereas the company had reversal impairment loss of Baht 51.91 million in the previous year. Finance cost increased of Baht 8.32 million due to increased in bill of exchange issued for providing more working capital and other expenses increased of Baht 7.51 million due to consulting fee increased of Baht 1.59 million and loss on exchange rate increased of Baht 6.75 million.

In 2017, KT ZMICO had a market share of 2.27 per cent in the equity market (SET & MAI excluding market share of proprietary trading) and was ranked No. 22 among securities companies. For derivatives market, KT ZMICO achieved 2.63 per cent market share and was ranked No. 14 in the derivative market.

Major Impact that affects the operations in 2017

After transferring the securities business, the Company's operating results depend largely on the operating results of KT ZMICO. The main source of income of the Company's financial statement is from share of profit of KT ZMICO under equity method which is equivalent to 49.71 per cent of issued and paid-up share capital of KT ZMICO. Moreover, other sources of income include gain on trading securities in the stock market, Investment in debts securities and direct investment, also interest and dividend income from investments in debt and equity securities for cash management in order to provide the Company with liquidity for day-to-day operations and fee and service income from private fund and mutual fund management of Solaris Asset Management Co., Ltd. (“Solaris”).

The Securities Industry and the Thai Market

For 2017, the SET trading volume increased from the year 2016.

- The SET Index closed at 1,753.71 points at the end of 2017 which increased by 14 per cent from the end of 2016 that closed at 1,542.94 points.
- The combined market capitalisation of the SET and MAI increased from Baht 15,505 billion at the end of 2016 to Baht 17,926 billion at the end of 2017, or an increase of 16 per cent.
- The overall average daily trading volume of the market (the SET and MAI) decreased from Baht 52.53 billion in 2016 to Baht 50.11 billion in 2017, or a decrease of 5 per cent.
- The overall average daily trading volume for derivatives contract of the derivatives market increased from Baht 285,148 contracts in 2016 to Baht 323,732 contracts in 2017, or an increase of 14 per cent.

Customer Base Expansions

- The customer base of KT ZMICO increased by 7 per cent from the year 2016 from increment of KTB's customer base by 7 per cent. KT ZMICO continuously rendering securities business services in CLMV. In 2017, KT ZMICO expanded securities business to Myanmar by entered into the joint venture agreement with Myanmar Ruby Hill Finance Company Limited, a finance company incorporated in the Republic of the Union of Myanmar, was consented to operate KTZ Ruby Hills Securities Co., Ltd ("KTzRH") which KT ZMICO was the only securities company from Thailand to win a brokering license in Myanmar from the Government of Myanmar ("GOM") and competed with one another on the basis of service. The company is being issued ahead of the launch of the Yangon Stock Exchange. KTzRH has started serving customers on March 25, 2016.
- As at December 31, 2017, Solaris which is subsidiary company, there were 34 mutual funds and private funds under management with total net asset value of Baht 2,864 million.
- The Company has established Lumpini Asset Management Co., Ltd. which is subsidiary company, which is to carry out the business of purchasing or taking transfer and managing of non-performing assets of financial institution which is its commercial bank, business funding or credit fancier license to revoke include related collateral for the purpose of asset management, development and disposals.

Underwriting business

- KT ZMICO provides security underwriting business in which the Company is being an underwriter of many securities such as government bond, state enterprise bond, ordinary share, preference share, debenture, convertible debenture, and other financial debt securities. For the year ended December 31, 2017, KT ZMICO was being a selling agent and underwriter of 31 securities with the underwriting amount of Baht 7,368 million and recorded underwriting income of Baht 82.12 million increased from the year ended December 31, 2016 in which the Company underwrote 24 securities with the underwriting amount of Baht 4,938 million and recorded underwriting income of Baht 20.54 million.

Investment Activities

- The Company has an investment in KT ZMICO's ordinary shares at Baht 1,244.10 million with the 49.71 per cent shareholding interest in KT ZMICO.
- The Company has an investment in Scentimental's ordinary shares at Baht 13.80 million with the 46.00 per cent shareholding interest in Scentimental.
- The Company has an investment in Absolute's ordinary shares at Baht 217.80 million with the 30.00 per cent shareholding interest in Absolute.
- The Company has an investment in TCSC, the securities company in Vietnam at Baht 156.02 million with the 18.88 per cent shareholding interest in TCSC which is the same as the previous year. In 2017, the Company has recorded the allowance for impairment for investment in amounting to Baht 19.48 million. Thereby, as at December 31, 2017, the Company has recorded the allowance for impairment for such investment in total amounting of Baht 70.70 million and the book value investment was shown at Baht 85.32 million.
- The Company has invested in ordinary shares of Advance Finance Public Company Limited amounting to Baht 160 million in which the Company has started to invest with 10 per cent shareholding.
- The Company entered into an agreement with Solaris which is subsidiary company. The subsidiary will manage the Company's fund. Under the agreement, the Company agreed to pay a management fee at the rate of 0.2 per cent per annum of the net asset value of the fund. However, the company has cancelled the agreement since November 29, 2017.
- Furthermore, the Company invested in debt securities - bill of exchange and corporate bond in amounting to Baht 651.38 million and Baht 25.31 million, respectively. In addition, the company invested in equity securities - list securities amounting to Baht 284.85 million.

Local and International Awards and Recognitions

- The Company was granted "Outstanding Company Performance Award" from SET for listed company with market capitalization of less than 3,000 billion baht.
- The Company won an "Excellent" rating for the AGM 2017 assessed by the Thai Investors Association.
- The Company earned a "Very Good" rating for the Corporate Governance 2017 assessed by the Thai Institute of Director (IOD).

Financial Position

- Shareholders' equity of the Company and its subsidiary decreased from Baht 2,674.65 million as at December 31, 2016 to Baht 2,356.94 million as at December 31, 2017. Shareholders' equity decreased from payment of dividend of Baht 130.74 million include loss on re-measuring available for sale investments and reclassified relating to change of investment classification of Baht 171.49 million and share of loss on other comprehensive income of associates of Baht 20.32 million whereas Shareholders' equity increased from the Company's net profit in amount of Baht 4.84 million.

- The Company was approved to temporary discontinue its Securities trading business and Derivatives trading business from the Office of the Securities and Exchange Commission (“SEC”), effective from May 1, 2009 to December 31, 2011. Subsequently, the Company was granted by the Stock Exchange of Thailand to extend the suspension period for securities and derivatives business operation until December 31, 2016 as the letter No. BorSorChor. 0020/2558 dated October 12, 2015.

On August 4, 2016, the Company was granted by The Stock Exchange of Thailand to extend the recommencing its securities brokerage business operation to December 31, 2017 according to the letter No. BorSorChor. 0005/2559.

On July 4, 2017, the Company was granted by The Stock Exchange of Thailand to extend the recommencing its securities brokerage business operation to December 31, 2018 according to the letter No. BorSorChor. 0004/2560.

Therefore, the Company is not required to maintain its net liquid capital as define by the SEC as from May 1, 2009 onwards.

However, since May 2, 2013 the Company was approved to reactivate its investment advisory service according to its existing Securities trading business and Derivative trading business license from the SEC by which the Company is required to maintain its net liquid capital as according to the requirement of the Notification SEC No. Kor Thor 4/2557.

As at December 31, 2017, the Company is able to maintain its net liquid capital more than the condition.

Liabilities

- As at December 31, 2017, the Company has debts which are bills of exchange issued to general public with credit limit of Baht 1,500 million.

2 Operating Results

For 2017, the Company and its subsidiary had the total revenues of Baht 275.40 million, a decrease of Baht 78.01 million or 22 per cent from the previous year.

(Million Baht)

	2017		2016	
	Amount	%	Amount	%
Fee and service income	27.38	9.94	103.54	29.30
Gains and return on financial instruments	248.94	90.39	57.16	16.17
Share of profit (loss) from investment in associates	(5.02)	(1.82)	187.80	53.14
Gain on transfer of business to an associated company	0.06	0.02	0.06	0.02
Other incomes	4.04	1.47	4.85	1.37
Total revenues	275.40	100.00	353.41	100.00

(1) Security business income

1.1) Fee and Service Income

The Company and its subsidiary earned Baht 27.38 million of fee and service income which came from fee and service income from private funds and mutual funds management. Fee and service income decreased of Baht 76.16 million from the previous year. Asset Under Management has decreased from Baht 23.35 billion to Baht 2.86 billion or 88 per cent.

1.2) Gain and return on financial instruments

The Company had gain and return on financial instruments of Baht 248.94 million which consist of

1.2.1) Gain on investment

- Gain on debt securities trading	Baht	69.85	million
- Gain on equity securities trading	Baht	161.44	million

1.2.2) Interest and dividend income

The Company earned interest income of Baht 17.65 million from deposits at bank and financial institutions, investment in debt and dividend income from securities.

1.3) Share of profit (loss) from investment in associates

The Company recognized share of loss from associated company under equity method of Baht 5.02 million are as follow:-

1.3.1) Share of profit from KT ZMICO of Baht 1.58 million

1.3.2) Share of profit from Scentimental of Baht 0.36 million

1.3.3) Share of loss from Absolute of Baht 6.96 million

1.4) Gain on transfer of assets and business to associated company

On May 1, 2009, the Company transferred its business to KT ZMICO with the payment of Baht 500 million received from KT ZMICO. On May 4, 2009 the Company received up front payment of Baht 300 million. The remaining payment of Baht 200 million will be received within 3 years based on the operating results of KT ZMICO. The Company recognized the entire amount of consideration from the transfer of business of Baht 500 million as the associated company was able to generate 3 year cumulative EBITDA from 2009 - 2011 according to the criteria specified in the agreement.

The Company will realize such “unrealized gain on transfer of assets to the associated company” as income when the Company has lower percentage of shareholding in KT ZMICO and when KT ZMICO calculate depreciation or sells such transferred assets to the third parties.

For 2017, the Company recognized additional gain on transfer of assets to the associated company of Baht 0.06 million and as at December 31, 2017, the remaining amount unrealized gain on transfer of business were Baht 148.28 million.

1.5) Other income

The Company had other income of Baht 4.04 million mainly from research fee for providing various research papers of offshore of Baht 3.00 million, bad debt recovered and gain on disposal equipment.

(2) Securities Business Expenses

For 2017, The Company had total expenses of Baht 258.69 million, an increase of Baht 142.17 million or 122 per cent from the previous year.

(Million Baht)

	2017		2016	
	Amount	%	Amount	%
Employee benefits expenses	47.92	18.52	59.33	50.92
Fee and service expenses	5.39	2.08	42.77	36.71
Finance cost	31.78	12.28	23.46	20.13
Bad debts and doubtful accounts	-	-	4.05	3.48
Impairment loss from investment (reversal)	127.26	49.19	(51.91)	(44.55)
Other expenses	46.34	17.93	38.82	33.31
Total expenses	258.69	100.00	116.52	100.00

2.1) Employee benefits expenses

Employee benefits expenses consist of personal expense of Baht 39.30 million decreased from the previous year due to accrued personal expenses decreased and Directors' remuneration of Baht 8.62 million.

2.2) Fee and Service Expenses

Fees and Service expenses of Baht 5.39 million mainly incurred from agent fees for selling unit trusts and annual fee for mutual fund management of subsidiary company.

2.3) Finance cost

Finance cost were interest expenses and operating expenses of Bill of exchange for providing more working capital.

2.4) Bad debts and doubtful debts

For 2017, the Company did not record bad debts and doubtful debts due to fully set up allowance for bad debt and doubtful debts.

2.5) Impairment loss from investment (reversal)

The Company recognized impairment loss from investment of Baht 127.26 million from investment in debt securities which the subsidiaries invested of Baht 105.00 million, investment in TCSC of Baht 19.48 million and general investment of Baht 2.78 million.

2.6) Other expenses

Other expenses consist of premise and equipment expenses of Baht 11.03 million, consulting fee of Baht 11.68 million, communication and information expenses of Baht 3.12 million and other expenses of Baht 20.49 million which other expenses increased of Baht 5.76 million from the previous year mainly from loss on exchange rate increased of Baht 6.75 million.

(3) Profit Margin

For 2017, the net profit margin decreased from 64.24 per cent in 2016 to 3.59 per cent in 2017. This resulted from fees and service income decreased of Baht 76.16 million include recognized share of loss from investment in associates of Baht 5.02 million , recognized impairment loss from investment of Baht 127.26 million, finance cost increased of Baht 8.32 million and other expenses increased of Baht 7.51 million.

(4) Return on Equity

Return on equity was 0.40 per cent in 2017 which decreased from 9.28 per cent in 2016.

Overall operating results for the year ended December 31, 2016

The Company and its subsidiary incurred the net profit of Baht 227.02 million compared with the net profit of Baht 59.62 million of the previous year. The increase in net profit of Baht 167.40 million are mainly from

Total revenues increased from gain on investment of Baht 28.29 million mainly from gain from investment in equity securities of Baht 39.67 million, gain from investment in debt securities of Baht 14.84 million whereas loss on sell from investment in Beacon offshore Co., Ltd. ("Beacon") of Baht 26.22 million and share of profit from associated companies which came from share of profit from KT ZMICO increased of Baht 84.34 million. The Company recognized share loss of Beacon of Baht 13.89 million in 2015 but there were not recognized share loss in 2016. Interest and dividend income increased of Baht 8.99 million due to interest from Certificate of Deposit of Baht 2.83 million and dividend income from investment in securities of Baht 7.59 million and Other income decreased of Baht 25.53 million due to gain on sell land as asset held for sale of Baht 24.58 million in 2015.

Total expenses decreased of Baht 75.89 million which came from reversal impairment loss from securities of Baht 51.91 million whereas finance cost increased of Baht 4.33 million, fee and service expenses increased of Baht 2.32 million, personnel expenses increased of Baht 7.40 million, other expenses increased of Baht 2.00 million and income tax expenses increased of Baht 13.06 million. From the above mentioned reasons, the Company and its subsidiary generated net profit of Baht 227.02 million in 2016.

In 2016, KT ZMICO had a market share of 2.57 per cent in the equity market (SET & MAI excluding market share of proprietary trading) and was ranked No. 18 among securities companies. For derivatives market, KT ZMICO achieved 2.51 per cent market share and was ranked No. 13 in the derivative market.

Major Impact that affects the operations in 2016

After transferring the securities business, the Company's operating results depend largely on the operating results of KT ZMICO. The main source of income of the Company's financial statement is from share of profit of KT ZMICO under equity method which is equivalent to 49.71 per cent of issued and paid-up share capital of KT ZMICO. Moreover, other sources of income include gain on trading securities in the stock market, Investment in debts securities and direct investment, also interest and dividend income from investments in debt and equity securities for cash management in order to provide the Company with liquidity for day-to-day operations and fee and service income from private fund and mutual fund management of Solaris.

The Securities Industry and the Thai Market

For 2016, the SET trading volume increased from the year 2015.

- The SET Index closed at 1,542.94 points at the end of 2016 which increased by 20 per cent from the end of 2015 that closed at 1,288.02 points.
- The combined market capitalisation of the SET and MAI increased from Baht 12,606 billion at the end of 2015 to Baht 15,505 billion at the end of 2016, or an increase of 23 per cent.
- The overall average daily trading volume of the market (the SET and MAI) increased from Baht 44.30 billion in 2015 to Baht 52.53 billion in 2016, or a increase of 19 per cent.
- The overall average daily trading volume for derivatives contract of the derivatives market increased from Baht 199,749 contracts in 2015 to Baht 285,148 contracts in 2016, or an increase of 43 per cent.

Customer Base Expansions

- The customer base of KT ZMICO increased by 4 per cent from the year 2015 from increment of KTB's customer base by 18 per cent. KT ZMICO continuously rendering securities business services in CLMV. In 2016, KT ZMICO expanded securities business to Myanmar by entered into the joint venture agreement with Myanmar Ruby Hill Finance Company Limited, a finance company incorporated in the Republic of the Union of Myanmar, was consented to operate KTZ Ruby Hills Securities Co., Ltd ("KTzRH") which KT ZMICO was the only securities company from Thailand to win a brokering license in Myanmar from the Government of Myanmar ("GOM") and competed with one another on the basis of service. The company is being issued ahead of the launch of the Yangon Stock Exchange. KTzRH has started serving customers on March 25, 2016.
- As at December 31, 2016, Solaris which is subsidiary company, there were 53 mutual funds and private funds under management with total net asset value of Baht 23,352 million.
- On December 1, 2015, the Company has established Lumpini Asset Management Co., Ltd. which is subsidiary company, which is to carry out the business of purchasing or taking transfer and managing of non-performing assets of financial institution which is its commercial bank, business funding or credit fancier license to revoke include related collateral for the purpose of asset management, development and disposals.

Underwriting business

- KT ZMICO provides security underwriting business in which the Company is being an underwriter of many securities such as government bond, state enterprise bond, ordinary share, preference share, debenture, convertible debenture, and other financial debt securities. For 2016, KT ZMICO was being a selling agent and underwriter of 24 securities with the underwriting amount of Baht 4,938 million and recorded underwriting income of Baht 20.54 million decreased from end of the year 2015 in which the Company underwrote 21 securities with the underwriting amount of Baht 7,390 million and recorded underwriting income of Baht 102.24 million.

2. Operating Results

For 2016, the Company and its subsidiary had the total income of Baht 353.41 million, an increase of 42.02 per cent from the previous year.

	(Million Baht)			
	2016		2015 ⁽¹⁾	
	Amount	%	Amount	%
Fee and service income	103.54	29.30	108.94	43.78
Gains and return on financial instruments	57.16	16.17	19.88	7.99
Share of profit from investment in associates	187.80	53.14	89.57	36.00
Gain on transfer of business to an associated company	0.06	0.02	0.06	0.02
Other incomes	4.85	1.37	30.39	12.21
Total revenues	353.41	100.00	248.84	100.00

1. Security business income

1.1) Fee and Service Income

The Company and its subsidiary earned Baht 103.54 million of fee and service income in 2016 which came from fee and service income from private funds and mutual funds management. Fee and service income decreased of Baht 5.40 million from the previous year. Asset Under Management has decreased from Baht 28.24 billion to Baht 23.35 billion or 17.32 per cent.

1.2) Gain and return on financial instrument consist of

1.2.1) Gain on investment

The Company had gain on investment of Baht 36.58 million are as follow:-

- Gain on debt securities trading Baht 68.89 million
- Loss on equity securities trading Baht 32.31 million

⁽¹⁾ In 2015, The Company had reclassifications to conform to the classification used in the financial statement for the year ended December 31, 2017 as the format of financial statements of the Notification of the Office of the Securities and Exchange Commission ("SEC") No. SorTor. 22/2559, date June 2, 2016, regarding "The Form of Financial Statements for Securities Companies (No.2)"

1.2.2) Interest and dividend income

The Company earned interest income of Baht 20.58 million from deposits at bank and financial institutions, investment in debt and dividend income from securities.

1.3) Share of profit from investment in associates

The Company recognized share of profit from KT ZMICO under equity method of Baht 187.80 million.

2) Securities Business Expenses

For 2016, The Company had total expenses of Baht 116.52 million, a decrease of Baht 75.88 million or 39.44 per cent from previous year.

(Million Baht)

	2016		2015 ⁽²⁾	
	Amount	%	Amount	%
Employee benefits expenses	59.33	50.92	51.03	26.52
Fee and service expenses	42.77	36.71	40.45	21.02
Finance cost	23.46	20.13	19.13	9.94
Bad debts and doubtful accounts	4.05	3.48	2.70	1.40
Impairment loss from investment (reversal)	(51.91)	(44.55)	41.85	21.76
Other expenses	38.82	33.31	37.24	19.36
Total expenses	116.52	100.00	192.40	100.00

2.1) Employee benefits expenses

Employee benefits expenses consist of personal expense of Baht 50.44 million increased from the previous year due to accrued personal expenses increased and Directors' remuneration of Baht 8.89 million.

2.2) Fee and Service Expenses

Fees and Service expenses of Baht 42.77 million mainly incurred from agent fees for selling unit trusts and annual fee for mutual fund management of subsidiary company.

2.3) Finance cost

Finance cost was interest expenses of bills of exchange which issued by the Company for borrowing with the interest rate 3.45 - 3.60 % per annum.

2.4) Bad debts and doubtful debts

In 2016, the Company increased set up allowance for doubtful debts amounting to Baht 4.05 million due to the collateral value has decreased.

⁽²⁾ In 2015, The Company had reclassifications to conform to the classification used in the financial statement for the year ended December 31, 2017 as the format of financial statements of the Notification of the Office of the Securities and Exchange Commission ("SEC") No. SorTor. 22/2559, date June 2, 2016, regarding "The Form of Financial Statements for Securities Companies (No.2)"

2.5) Impairment loss from investment (reversal)

The Company reversed impairment loss on investment of Beacon Offshore Ltd. amounting to Baht 51.21 million and Thanh Cong Securities Joint Stock Company amounting to Baht 2.84 million. However, the Company set up impairment loss on investment of general investment increased of Baht 2.14 million.

2.6) Other expenses

Other expenses consist of premises and equipment expenses of Baht 11.29 million, consulting fee of Baht 10.09 million, communication and information expenses of Baht 2.71 million and other expenses of Baht 14.73 million. Other expense increased of Baht 2.00 million from the previous year were resulted from loss on exchange rate.

3) Profit Margin

In 2016, the net profit margin increased from 23.96 per cent at the end of 2015 to 64.24 per cent at the end of 2016. This resulted from gain on investment in securities increased of Baht 28.29 million, share of profit of associated companies under equity method increased of Baht 98.23 million and interest and dividend income increased of Baht 8.99 million whereas finance cost increased of Baht 4.33 million, personnel expenses increased of Baht 7.40 million, other expenses increased of Baht 2.00 million and reversal impairment loss on securities of Baht 51.91 million.

4) Return on Equity

Return on equity was 9.28 per cent in 2016 which increased from 2.49 per cent in 2015.

Financial Position as at December 31, 2017

1. Assets

1.1 Component of Assets

As at December 31, 2017, the Company and its subsidiary had total assets of Baht 3,212.12 million by which 46.51 per cent was current assets and 53.49 per cent was non-current assets.

Major changes to assets were as follows:

- **Cash and Cash Equivalent**

Cash and cash equivalents as at December 31, 2017 were Baht 330.32 million, a decrease of Baht 46.04 million, or 12 per cent from the year 2016 (See details in 3.1 Cash Flow).

- **Investment in debt and equity**

The Company and its subsidiary invested in debt securities - bill of exchange and corporate bond in amounting to Baht 693.38 million and Baht 25.31 million, respectively and invested in equity securities - list securities in amounting to Baht 284.85 million. In addition, the company invested in general investment amounting to Baht 338.16 million.

For the year ended December 31, 2017, the Company reserved allowance for loss on impairment for ordinary shares of TCSC of Baht 19.48 million which resulting in book value of TCSC has decreased to Baht 85.32 million from the original cost of Baht 156.02 million.

- **Investment in subsidiary company**

Solaris Asset Management Co., Ltd.

As at December 31, 2017, the subsidiary company has issued and paid-up share capital of Baht 125.40 million for 22,800,000 ordinary shares with the par value of Baht 5.5 per share and the shareholding of the Company in subsidiary is 100%.

Lumpini Asset Management Co., Ltd.

As at December 31, 2017, the subsidiary company has issued and paid-up share capital of Baht 25.00 million for 2,500,000 ordinary shares with the par value of Baht 10.00 per share and the shareholding of the Company in subsidiary is 100%.

- **Investment in associated companies**

KT ZMICO Securities Co., Ltd.

On December 3, 2014, the Board of Investment Committee's meeting passed the resolution to buy additional investment in ordinary shares in KT ZMICO Securities Co., Ltd. which is the Company's associated company amounting 99,000 shares at Baht 19.18 each from the existing shareholder and on June 17, 2015, the Board of Investment Committee's meeting acknowledged an additional buyer investment in ordinary shares in KT ZMICO Securities Co., Ltd. amounting 170,000 shares at Baht 27.60 each from the existing shareholder. As a result, the shareholding in this associated company has increased from 49.64% to 49.71% of the paid-up share capital of the Company in the associated company.

As at December 31, 2017, the Company had investment in associated companies comprising KT ZMICO Securities Co., Ltd which the investment under cost method and equity method were Baht 1,244.10 million and Baht 1,355.34 million, respectively.

Scentimental (Thailand) Co., Ltd.

On January 17, 2017, the Board of Investment Committee's meeting passed the resolution to invest in ordinary shares of Scentimental which the company holds exclusive rights of developing, marketing, selling and distribution of celebrities' perfumes both in Thailand and international markets. The investment value of Baht 13.80 million consists of 138,000 ordinary shares with a par value of Baht 100 per share, accounting for 46% of the paid-up share capital of the Company in the associated company.

As at December 31, 2017, the Company had investment in associated companies comprising Scentimental which the investment under cost method and equity method were Baht 13.80 million and Baht 14.16 million, respectively.

Absolute Yoga Co., Ltd.

On February 22, 2017, the Board of Investment Committee's meeting passed the resolution to invest in ordinary shares of Absolute which the holding company operates in health and wellness business under "Absolute You" brand. The investment value of Baht 217.80 million consists of 1,800,000 ordinary shares with a par value of Baht 10 per share, accounting for 30% of the paid-up share capital of the Company in the associated company.

As at December 31, 2017, the Company had investment in associated companies comprising Absolute which the investment under cost method and equity method were Baht 217.80 million and Baht 210.84 million, respectively.

Beacon Offshore Ltd.

The Company entered into an investment agreement to purchase ordinary shares of Beacon Offshore Ltd., which provides sale and service of safety and survival equipment for the marine and offshore industries. On December 24, 2015, the extraordinary shareholders' meeting of the associated company has passed a special resolution to increase its share capital 2,000,000 shares, from 12,806,000 ordinary shares to 14,806,000 ordinary shares with the par value of Baht 10 per share. The Company did not purchase the additional such shares increase. As a result, the shareholding in this associated company has decreased from 21.62% to 18.70% of issued and paid-up share capital of the associated company. On December 13, 2016, the Board of Investment Committee's meeting passed the resolution to sell in ordinary shares of Beacon Offshore Ltd., which is the Company's associated company. The Company transferred all 2,768,206 ordinary shares of Baht 8 per share, total amount Baht 22.15 million. The Company received payment from the buyer for the whole amount On December 14, 2016 in accordance with the conditions specified in the acquisition agreement

- **Securities Business Receivables**

As at December 31, 2017, Securities Business receivables under litigation at Baht 62.65 million with related deduction of allowance for doubtful account of Baht 62.65 million. However, The Company has already reserved full amount of provision for doubtful accounts as per the SEC guideline.

- **Building improvements and equipment**

Building improvement and equipment as at December 31, 2017 increased by Baht 0.50 million or 6.33 per cent from the year 2016 because the Company purchase office equipment totalling Baht 5.73 million, the Company depreciated its assets amounting to Baht 3.69 million as according to their useful lives and sale and disposal equipment - net of Baht 1.54 million.

- **Other assets**

Other assets as at December 31, 2017 were Baht 76.14 million increased of Baht 9.06 million from the end of 2016 mainly from advance payment for legal fee of fund managed by subsidiary of Baht 13.44 million.

1.2 Quality of Assets

In the Financial statement, the Company recorded a revaluation adjustment of assets according to accounting standards and the SEC's rule. The major assets can be summarised as follows:

- **Investment**

As at December 31, 2017, the Company had total investments of Baht 1,162.95 million from initial cost was Baht 1,364.89 million or 36.21 per cent of total assets which the details are as follows :-

(Million Baht)

	As at December 31, 2017		As at December 31, 2016	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
<u>Trading securities</u>				
Equity securities - List securities	277.50	245.98	99.24	90.27
Debt securities - Corporate bond	25.31	27.02	25.37	26.82
Debt securities - Bill of exchange	693.38	599.81	696.55	702.91
Total	996.19	872.81	821.16	820.00
<u>Less</u> Revaluation adjustments	(18.38)	-	(1.16)	-
<u>Less</u> Allowance for impairment	(105.00)	-	-	-
Total trading securities	872.81	872.81	820.00	820.00
<u>Available-for-sale securities</u>				
Equity securities - List securities	7.35	4.42	76.89	288.33
<u>Add (Less)</u> Revaluation adjustments	(2.93)	-	211.44	-
Total available-for-sale securities	4.42	4.42	288.33	288.33
<u>Held to maturity investment</u>				
Deposit at financial institutions	23.19	23.19	73.36	73.36
Total deposit at financial institutions	23.19	23.19	73.36	73.36
<u>General investments</u>				
Ordinary shares	338.03	262.40	353.53	300.16
Preference shares	0.13	0.13	0.13	0.13
Total	338.16	262.53	353.66	300.29
<u>Less</u> Allowance for impairment	(75.63)	-	(53.37)	-
Total general investments	262.53	262.53	300.29	300.29
Total investments	1,162.95	1,162.95	1,481.98	1,481.98

The Company has investments in Bill of Exchange issued by Phra Kanong Land Company Limited of Baht 500 million. The shareholders of such company made the agreement to pledge all of the company's ordinary shares as collateral. In addition, Phra Kanong Land Company Limited issued preferred shares to the Company, in which the preferred shares have the right to joint control with the ordinary shares to control assets of Phra Kanong Land Company Limited. As well as, the Company has representative as a director in Phra Kanong Land Company Limited and has joint control over the asset transactions.

After receiving the repayment on the Bill of Exchange, the Company has to terminate the pledge of the ordinary shares, transfer preferred shares back to Phra Kanong Land Company Limited and cancel the appointment of director in such company in order to ended of the arrangement.

On September 6, 2016, the Company already received the repayment on the Bill of Exchange, terminated the pledge of the ordinary shares, transfer preferred shares back to Phra Kanong Land Company Limited and cancelled the appointment of director. Therefore, the Company has no joint control over such company.

The proportions of investment as at December 31, 2017 are as follows;

Investment in listed securities	22	percent
Investment in corporate bond and bill of exchange	54	percent
Investment in held to maturity investment	2	percent
Investment in general investment	22	percent

- **Securities Business Receivables and Accrued Interest Receivables**

The Company had total securities receivables and accrued interest receivables as at December 31, 2017 of Baht 62.65 million which are Securities Business receivables under litigation with allowance for doubtful debt of Baht 62.65 million, or 100 per cent of related loans. The Company's policy is to closely monitor all securities receivables and in cases where any client fails to settle a transaction, will engage in negotiations as the first step. If a settlement with a client cannot be negotiated or if a debtor refuses to settle a debt, legal steps will then be taken.

2. Liabilities

Other borrowings

The Company has other borrowings as follows:

	Interest rate per annum (%)	As at December 31, 2017			
		Residual maturities			
		Within 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Other borrowings					
Bill of exchange	3.90 - 4.00	675.91	-	-	675.91
Total other borrowings		675.91	-	-	675.91

	As at December 31, 2017				
	Residual maturities				
	Interest rate per annum (%)	Within 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht
Other borrowings					
Bill of exchange	3.45 - 3.60	467.78	-	-	467.78
Total other borrowings		467.78	-	-	467.78

3. Liquidity

3.1 Cash Flow

Cash and cash equivalents as at December 31, 2017 were Baht 330.32 million which decreased from December 31, 2016 of Baht 46.04 million. The summary of cash provided and cash used in various activities are shown in the following table.

(Million Baht)

Activities	December 31, 2017	December 31, 2016
Net cash provided from Operating Activities	66.90	411.32
Net cash provided by (used in) from Investing Activities	(158.53)	150.94
Net cash provided by (used in) from Financing Activities	45.59	(590.60)
Net increase (decrease) in Cash and Cash Equivalent	46.04	(28.34)

The Company has used cash in the activities below to generate greater income and facilitate liquidity.

- **Operating Activities**

In 2017, cash from operating activities increased of Baht 66.90 million which came from the following transactions.

Cash increased from

- Securities business receivables decreased of Baht 4.82 million.
- Accrued fees and service income from asset management business decreased of Baht 5.81 million.
- Investment in trading securities decreased of Baht 77.47 million.
- Operating activities increased of Baht 7.99 million.

Cash decreased from

- Other assets increased of Baht 8.21 million.
- Securities business payable decreased of Baht 4.13 million.
- Accrued fees and service expenses from asset management business decreased of Baht 0.75 million.
- Other liabilities decreased of Baht 16.10 million.

- **Investing Activities**

In 2017, cash from investing activities decreased of Baht 158.53 million.

Cash increased from

- Investment to be held to maturity of Baht 50.35 million.
- Capital return from general investment of Baht 15.52 million.
- Sale of equipment of Baht 2.00 million.
- Interest and dividend from investments in securities of Baht 11.15 million.

Cash decreased from

- Purchase in general investment and investment to be held to maturity of Baht 0.22 million.
- Purchase in investment in associates of Baht 231.60 million.
- Purchase of equipment of Baht 5.73 million.

- **Financing Activities**

In 2017, cash from financing activities increased of Baht 45.59 million due to the net borrowing by issued bills of exchange of Baht 176.35 million whereas dividend payment to shareholders of Baht 130.74 million and paid on liabilities under finance lease agreement of Baht 0.02 million.

3.2 Significant Liquidity Ratios

The Company had enough liquidity as indicated by the liquidity ratios in the table below.

	2017	2016
Liquid Assets to Total Assets Ratio (%)	38.32	46.66
Net Liquid Capital Ratio (NCR) (%)	N/A	N/A

Since May 1, 2009, The Company was approved to temporarily cease its operation on securities and derivatives business from the Securities and Exchange Commission, therefore the Company is not required to maintain its net liquid capital.

4. Capital expenditure

Capital expenditure on investment

See topic "Investment in Securities" under Financial Position 1. Assets and "Investing Activities" under Liquidity 3.1 Cash Flow.

5. Sources of Capital

5.1 Adequacy of Capital Structure

The debt to equity ratio as at December 31, 2017 and 2016 were 0.36 times and 0.25 times, respectively.

5.2 Shareholders' equity

As at December 31, 2017, shareholders' equity amounting to Baht 2,356.94 million, a decrease of Baht 317.71 million, or 12 per cent from as at December 31, 2016. The shareholders' equity decreased from dividend payment of Baht 130.74 million include loss on re-measuring available-for-sale investments and reclassified relating to change of investment classification totaling of Baht 171.49 million and share of loss on other comprehensive income of associates of Baht 20.32 million whereas increased from the Company's net profit of Baht 4.84 million.

5.3 Liabilities

The Company has debts which are bills of exchange issued to general public with credit limit of Baht 1,500 million.



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REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS SEAMICO SECURITIES PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Seamico Securities Public Company Limited and its subsidiary (the “Group”) and the separate financial statements of Seamico Securities Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2017, and the related consolidated and separate statements of comprehensive income, changes in shareholders’ equity and cash flows for the year ended period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Seamico Securities Public Company Limited and its subsidiaries and of Seamico Securities Public Company Limited as at December 31, 2017, and financial performance and cash flows for the year ended period then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the consolidated and separate financial statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Key Audit Procedures
<p>Investments in new associated companies</p> <p>For the year ended December 31, 2017, the Group has invested in new associated companies for the initial investment totaling to Baht 231.60 million. Therefore, the key audit matter is whether recognition and measurement of the investments at the acquisition date and subsequent date including the presentation and related disclosures are in accordance with TFRSs.</p> <p>Basic for preparation and presentation of the financial statements, accounting policies and details of the investments in associated companies were disclosed in Note 2.2, 4.6 and Note 9 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the business acquisition process of investments and related internal control procedures for investments • Reviewing the design and implementation of the internal control procedures for investments • Performing substantive testing as follows: <ul style="list-style-type: none"> - Examining the share purchased and sales agreement signed by Group and the sellers, the payment documents, the share transferred documents and related supporting documents. - Examining details of the investments at the acquisition date which consists of the examination of existence, rights, obligations, completeness, accuracy, classification and initial measurement and subsequent measurement of the investments. - Examining the documents to support the presentation and related disclosures.

Key Audit Matters	Key Audit Procedures
<p>Impairment of investment</p> <p>Investments which the impairment was considered consist of investments in trading securities, investments in available for sale securities, general investments and investments in subsidiary and associated companies. The Group's managements have considered the impairment indicators and estimated the impairment provision for those investments. The consideration is depended on the management judgement and key assumptions. Therefore, the key audit matter is whether the valuation of investment and the impairment have been recognized in accordance with Thai Financial Reporting Standards.</p> <p>The accounting policies of investments in debt and equity securities and investments in subsidiary and associated companies and the details of investments in debt and equity securities and investments in subsidiary and associated companies were disclosed in Note 4.5 Note 4.6 Note 8 and Note 9 to the financial statements respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the impairment consideration process and internal control procedures relating to the consideration of impairment of investments • Reviewing the design and implementation of the internal control procedures relating to the consideration of impairment of investments • Performing the operating effectiveness testing over the internal control procedures around impairment consideration process • Performing substantive testing as follows: <ul style="list-style-type: none"> - Examining the supporting documents in relation to the management consideration of impairment indicators for investments. - Examining the supporting documents the Group's management used in assessing the appropriateness of valuation model and basis, key assumptions and information used in the estimation of the impairment provision for investments - Testing the calculation of the impairment provision for investments - Examining the supporting documents regarding the disclosures of valuation model and basis, key assumptions and information used in the estimation of the impairment provision for the investments

Key Audit Matters	Key Audit Procedures
<p data-bbox="177 304 576 398">Impairment of securities and derivatives business receivables of associate company</p> <p data-bbox="177 427 735 904">The allowance for doubtful accounts represent management’s estimation of loss that would occur from the securities and derivatives business receivable of associated company as at the end of financial reporting period. The associated company has estimated the allowance for doubtful accounts for the securities and derivatives business receivable when the debts are not fully secured and/or there exists a possibility that principal and interest cannot be recovered in full. Therefore, the key audit matter is whether as valuation of the securities and derivatives business receivables of the associated company and the allowance for doubtful accounts are in accordance with Thai Financial Reporting Standards</p> <p data-bbox="177 943 735 1037">Accounting policy of the allowance for doubtful accounts was disclosed in the Note 4.8 to the financial statements.</p>	<p data-bbox="743 304 1086 333">Key audit procedures included:</p> <ul style="list-style-type: none"> <li data-bbox="743 434 1287 555">• Understanding the associated company’s design and implementation of the controls relating to the calculation of allowance for doubtful accounts <li data-bbox="743 577 1287 698">• Performing the operating effectiveness testing of control relating to the accuracy of account receivable classification and the estimation of allowance for doubtful accounts <li data-bbox="743 721 1287 1178">• Performing substantive testing as follows: <ul style="list-style-type: none"> <li data-bbox="799 770 1287 891">- Examining the supporting documents the managements of the associated company used in considering the impairment indicators <li data-bbox="799 913 1287 1102">- Examining the supporting documents the associated company's management used in assessing the appropriateness of valuation model and basis, key assumptions and information used in the estimation of allowance for doubtful accounts <li data-bbox="799 1124 1287 1178">- Testing the calculation of the allowance for doubtful accounts

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's and the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such.



Chavala Tienpasertkij
 Certified Public Accountant (Thailand)
 Registration No. 4301

BANGKOK
 February 22, 2018

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
ASSETS					
Cash and cash equivalents	5	330,321,430	376,365,581	312,718,240	348,668,156
Securities business receivables	6	-	4,821,854	-	4,821,854
Accrued fees and service income from asset management business		840,670	6,652,734	-	-
Investments	8.1,8.2	1,162,950,875	1,481,978,210	1,178,814,138	1,401,268,057
Investments in subsidiary and associated companies	9	1,580,344,224	1,377,157,471	1,500,695,520	1,367,927,806
Building improvements and equipment	10	8,474,218	7,969,716	7,474,908	5,883,032
Intangible assets	11	4,792,724	4,830,167	3,320,549	3,320,549
Deferred tax assets	12	47,558,749	11,526,626	24,825,527	-
Assets classified as held for sale		688,014	688,014	688,014	688,014
Other assets	13	76,144,630	67,088,801	52,647,675	57,829,118
TOTAL ASSETS		<u>3,212,115,534</u>	<u>3,339,079,174</u>	<u>3,081,184,571</u>	<u>3,190,406,586</u>

Notes to the financial statements form an integral part of these financial statements

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
LIABILITIES AND OWNERS' EQUITY					
LIABILITIES					
Securities business payables		-	4,125,256	-	4,125,256
Accrued fees and service expenses from asset management business		7,224	756,192	-	-
Unrealized gain on transfer of business to an associated company	34	148,281,111	148,338,009	-	-
Other borrowing	14	675,908,797	467,778,822	675,908,797	467,778,822
Employee benefits obligation	15	11,567,292	7,904,644	8,681,055	5,950,313
Deferred tax liabilities	12	-	-	-	17,082,196
Other liabilities	16	19,406,600	35,522,874	18,212,160	27,833,282
Total liabilities		<u>855,171,024</u>	<u>664,425,797</u>	<u>702,802,012</u>	<u>522,769,869</u>
OWNERS' EQUITY					
Share capital					
Authorized share capital					
1,883,929,172 ordinary shares of Baht 0.50 each		<u>941,964,586</u>	<u>941,964,586</u>	<u>941,964,586</u>	<u>941,964,586</u>
Issued and paid-up share capital					
1,307,736,926 ordinary shares of Baht 0.50 each, fully paid	17	653,868,463	653,868,463	653,868,463	653,868,463
Premium on share capital	20	1,496,406,747	1,496,406,747	1,496,406,747	1,496,406,747
Retained earnings					
Appropriated					
Statutory reserve	21	108,383,352	108,383,352	108,383,352	108,383,352
Unappropriated		128,521,945	254,424,618	116,183,800	233,949,533
Difference arising on disposal of partial interest in subsidiary		(4,560,072)	(4,560,072)	-	-
Other components of equity		(25,675,925)	166,130,269	3,540,197	175,028,622
Total owners' equity		<u>2,356,944,510</u>	<u>2,674,653,377</u>	<u>2,378,382,559</u>	<u>2,667,636,717</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u><u>3,212,115,534</u></u>	<u><u>3,339,079,174</u></u>	<u><u>3,081,184,571</u></u>	<u><u>3,190,406,586</u></u>

Notes to the financial statements form an integral part of these financial statements

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
REVENUES					
Fees and service income	22	27,378,858	103,540,961	-	-
Gains and return on financial instruments	23	248,944,946	57,159,303	247,089,110	171,340,065
Share of profit (loss) from investment in associates		(5,016,471)	187,800,782	-	-
Gain on transfer of business to an associated company	34	56,898	57,054	-	-
Other incomes		4,037,012	4,856,429	4,056,026	5,032,823
Total revenues		<u>275,401,243</u>	<u>353,414,529</u>	<u>251,145,136</u>	<u>176,372,888</u>
EXPENSES					
Employee benefits expenses		47,920,808	59,327,856	24,079,585	30,795,777
Fees and service expenses	25	5,394,716	42,773,115	262,551	324,291
Finance costs		31,780,706	23,460,642	31,780,706	23,460,642
Bad debts and doubtful accounts		-	4,047,260	-	4,047,260
Impairment loss from investments (reversal)	26	127,262,629	(51,908,970)	146,727,411	(82,631,421)
Other expenses	27	46,328,745	38,818,718	32,778,402	24,994,578
Total expenses		<u>258,687,604</u>	<u>116,518,621</u>	<u>235,628,655</u>	<u>991,127</u>
PROFIT BEFORE INCOME TAX		<u>16,713,639</u>	<u>236,895,908</u>	<u>15,516,481</u>	<u>175,381,761</u>
INCOME TAX - EXPENSES	29	(6,839,983)	(9,875,951)	(964,383)	(1,023,193)
PROFIT FOR THE PERIOD		<u>9,873,656</u>	<u>227,019,957</u>	<u>14,552,098</u>	<u>174,358,568</u>

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit obligation		(1,954,178)	-	(1,574,687)	-
Share of loss on remeasurement of defined benefit obligation of an associated company		(3,079,007)	-	-	-
Items that may be reclassified subsequently to profit or loss					
Share of loss on other comprehensive income of associates		(20,317,769)	(4,134,964)	-	-
Gain (loss) on remeasuring available-for-sale investments	8.3	(33,801,686)	226,720,284	(33,801,686)	226,720,284
Reclassified relating to change of investment classification	8.3	(180,558,845)	-	(180,558,845)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	8.3	42,872,106	(45,344,056)	42,872,106	(45,344,056)
Other comprehensive income (loss) for the period, net of income tax		<u>(196,839,379)</u>	<u>177,241,264</u>	<u>(173,063,112)</u>	<u>181,376,228</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		<u><u>(186,965,723)</u></u>	<u><u>404,261,221</u></u>	<u><u>(158,511,014)</u></u>	<u><u>355,734,796</u></u>
EARNINGS PER SHARE					
BASIC EARNINGS PER SHARE	BAHT	0.008	0.174	0.011	0.133
WEIGHTED AVERAGE					
NUMBER OF ORDINARY SHARES	SHARES	1,307,736,926	1,307,736,926	1,307,736,926	1,307,736,926

Notes to the financial statements form an integral part of these financial statements

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN OWNERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

		CONSOLIDATED FINANCIAL STATEMENTS							
Note	Issued and paid-up share capital	Premium on share capital	Appropriated retained earnings Statutory reserve	Unappropriated retained earnings	Gain (loss) on remeasuring available-for-sale investments	Other components of equity Share of other comprehensive profit (loss) of an associated company	Difference arising on change of partial interest in subsidiary	Total owners' equity	
	Balance as at January 1, 2016	653,868,463	1,496,406,747	108,383,352	92,773,579	(6,347,606)	(4,763,389)	(4,560,072)	2,335,761,074
	Total comprehensive income	-	-	-	227,019,957	181,376,228	(4,134,964)	-	404,261,221
	Dividend payment	-	-	-	(65,368,918)	-	-	-	(65,368,918)
	Balance as at December 31, 2016	653,868,463	1,496,406,747	108,383,352	254,424,618	175,028,622	(8,898,353)	(4,560,072)	2,674,653,377
	Balance as at January 1, 2017	653,868,463	1,496,406,747	108,383,352	254,424,618	175,028,622	(8,898,353)	(4,560,072)	2,674,653,377
	Total comprehensive income	-	-	-	4,840,471	(171,488,425)	(20,317,769)	-	(186,965,723)
	Dividend payment	-	-	-	(130,743,144)	-	-	-	(130,743,144)
	Balance as at December 31, 2017	653,868,463	1,496,406,747	108,383,352	128,521,945	3,540,197	(29,216,122)	(4,560,072)	2,356,944,510

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN OWNERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	Note	SEPARATE FINANCIAL STATEMENTS						Total owners' equity
		Issued and paid-up share capital	Premium on share capital	Appropriated retained earnings	Unappropriated retained earnings	Other components of equity		
Balance as at January 1, 2016		653,868,463	1,496,406,747	108,383,352	124,959,883	(6,347,606)	2,377,270,839	
Total comprehensive income		-	-	-	174,358,568	181,376,228	355,734,796	
Dividend payment	18	-	-	-	(65,368,918)	-	(65,368,918)	
Balance as at December 31, 2016		653,868,463	1,496,406,747	108,383,352	233,949,533	175,028,622	2,667,636,717	
Balance as at January 1, 2017		653,868,463	1,496,406,747	108,383,352	233,949,533	175,028,622	2,667,636,717	
Total comprehensive income		-	-	-	12,977,411	(171,488,425)	(158,511,014)	
Dividend payment	18	-	-	-	(130,743,144)	-	(130,743,144)	
Balance as at December 31, 2017		653,868,463	1,496,406,747	108,383,352	116,183,800	3,540,197	2,378,382,559	

Notes to the financial statements form an integral part of these financial statements

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	16,713,639	236,895,908	15,516,481	175,381,761
Adjustments on income (loss) before income tax to be				
cash received (paid) from operating activities:				
Depreciation and amortization	3,736,014	3,861,058	2,522,147	2,444,881
Bad debts and doubtful accounts	-	4,047,260	-	4,047,260
Unrealized loss gain on re-measuring trading investments	17,223,611	1,165,965	15,361,838	1,711,862
Unrealized gain from reclassification investment port	(180,558,845)	-	(180,558,845)	-
Gain on sale trading investment	(2,393,751)	-	(2,393,751)	-
Gain on disposal equipment	(461,448)	-	(461,448)	-
Share of (profit) loss of associated company accounted for under equity method	5,016,471	(187,800,782)	-	-
Impairment loss from equity securities (reversal)	22,262,629	(700,855)	22,262,629	(700,855)
Impairment loss from debt securities	105,000,000	-	25,632,496	-
Impairment loss on investment in subsidiary (reversal)	-	-	98,832,286	(11,943,901)
Impairment loss on investment in associate (reversal)	-	(51,208,115)	-	(69,986,665)
Loss on sale from investment in associate	-	26,220,332	-	47,841,017
Finance cost	31,780,706	23,460,642	31,780,706	23,460,642
Interest and dividend income	(17,650,104)	(20,577,914)	(16,804,943)	(156,925,258)
Gain on transfer of business to an associated company	(56,898)	(57,054)	-	-
Employee benefit expenses	1,708,470	1,562,601	1,156,055	1,011,597
Income from operating before changes in operating assets and liabilities	2,320,494	36,869,046	12,845,651	16,342,341
(Increase) decrease in operating assets				
Securities business receivables	4,821,854	2,700,987	4,821,854	2,700,987
Accrued fees and service income from asset management business	5,812,064	1,701,880	-	-
Investments in trading securities	77,468,932	416,139,271	61,932,882	469,873,028
Other assets	(8,211,636)	(52,745,127)	4,962,975	(52,734,817)
Increase (decrease) in operating liabilities				
Securities business payables	(4,125,256)	(4,368,698)	(4,125,256)	(4,368,698)
Accrued fees and service expenses from asset management business	(748,968)	(1,758,550)	-	-
Other liabilities	(16,100,240)	5,866,643	(9,605,088)	6,164,951
Cash received from operating activities	61,237,244	404,405,452	70,833,018	437,977,792
Interest income	6,840,165	10,225,553	6,343,917	8,996,189
Income tax paid	(1,180,025)	(3,301,407)	(117,854)	(115,329)
Net cash provided by operating activities	66,897,384	411,329,598	77,059,081	446,858,652

SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		2017	2016	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for investment to be held to maturity		(191,912)	(23,000,000)	-	-
Cash received from investment to be held to maturity		50,356,186	27,274,877	50,356,186	1,717,855
Cash paid for purchase general investment		(25,000)	(23,503,000)	(25,000)	(23,503,000)
Cash received from capital return from general investment		15,525,900	-	15,525,900	-
Cash paid for increase in capital of associate		(231,600,000)	-	(231,600,000)	-
Cash received from sale of investment in associate		-	22,145,648	-	22,145,648
Cash received from sale of equipment		2,000,000	-	2,000,000	-
Cash paid for acquisition of equipment		(5,731,575)	(693,204)	(5,652,575)	(281,264)
Cash paid for acquisition of intangible assets		(10,051)	(152,250)	-	-
Cash received from interest and dividend					
from investments in securities		11,145,772	11,046,548	10,797,347	10,670,288
Cash received from dividend of an associated company	9	-	137,817,712	-	137,817,712
Net cash provided by (used in) investing activities		<u>(158,530,680)</u>	<u>150,936,331</u>	<u>(158,598,142)</u>	<u>148,567,239</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash paid on liabilities under finance lease agreements		(17,120)	(51,360)	(17,120)	(51,360)
Cash received from other borrowing		2,726,349,409	999,817,846	2,726,349,409	999,817,846
Cash paid from other borrowing		(2,550,000,000)	(1,525,000,000)	(2,550,000,000)	(1,525,000,000)
Dividend payment		(130,743,144)	(65,368,918)	(130,743,144)	(65,368,918)
Net cash provided by (used in) financing activities		<u>45,589,145</u>	<u>(590,602,432)</u>	<u>45,589,145</u>	<u>(590,602,432)</u>
Net increase (decrease) in cash and cash equivalents		(46,044,151)	(28,336,503)	(35,949,916)	4,823,459
Cash and cash equivalents as at January 1,		<u>376,365,581</u>	<u>404,702,084</u>	<u>348,668,156</u>	<u>343,844,697</u>
Cash and cash equivalents as at December 31,	5	<u><u>330,321,430</u></u>	<u><u>376,365,581</u></u>	<u><u>312,718,240</u></u>	<u><u>348,668,156</u></u>
Non-cash items					
Increase in surplus on re-measuring					
available-for-sale investments (net of tax)		3,540,197	175,028,622	3,540,197	175,028,622

Notes to the financial statements form an integral part of these financial statements

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

1. GENERAL INFORMATION AND THE OPERATIONS OF THE COMPANY

Seamico Securities Public Company Limited (the “Company”) is a public limited company incorporated and resident in Thailand. The Company converted the status to be a Public Limited Company in accordance with the Public Limited Companies Act. on August 8, 1994 and was listed on the Stock Exchange of Thailand (“SET”) on March 17, 1995. The address of its registered office is 18th Floor, 287 Liberty Square, Silom Road, Bangrak, Bangkok, 10500.

The Company was granted 7 licenses to operate the following securities businesses:

1. Securities Brokerage
2. Securities Trading
3. Investment Advisory Service
4. Securities Underwriting
5. On-line Securities Trading
6. Derivatives Trading
7. Securities Borrowing and Lending

On May 1, 2009, the Company transferred its business and margin loan accounts to KT ZMICO Securities Co., Ltd., an associated company, in accordance with a partnership plan to develop securities business with Krung Thai Bank Plc.. The Company has temporarily ceased its operation on securities and derivative business since May 1, 2009 until December 31, 2011 which was approved by the Office of the Securities and Exchange Commission as the letter No. SEC.Thor. 701/2552. Subsequently, the Company was granted by the Office of the Securities and Exchange Commission to extend the suspension period for securities and derivative business operation until April 30, 2013 as the letter No. SEC.Thor. 474/2554 dated April 4, 2011. Consequently, the Company applied the approval system work flow of Investment advisory service under the existing securities business license to the Office of the Securities and Exchange Commission. The Company was approved to re-operate its Investment Advisory Services According to the letter No. SEC. BorThor. 994/2556 dated on May 2, 2013 starting from May 2, 2013 onwards.

Moreover, the Company was granted by The Stock Exchange of Thailand to extend the recommencing its securities brokerage business operation to December 31, 2016 according to the letter No. BorSorChor.0020/2558 dated October 12, 2015.

On August 4, 2016, the Company was granted by The Stock Exchange of Thailand to extend the recommencing its securities brokerage business operation to December 31, 2017 according to the letter No. BorSorChor.0005/2559.

On July 4, 2017, the Company was granted by The Stock Exchange of Thailand to extend the recommencing its securities brokerage business operation to December 31, 2018 according to the letter No. BorSorChor.0004/2560.

Currently, the major businesses of the Company are related to investment and securities businesses which shall not compete with KT ZMICO Securities Co., Ltd.

The Company has subsidiaries as follows:

1. Solaris Asset Management Co., Ltd. (“Solaris”) operates its business in Thailand and has been granted permission to manage mutual fund, private fund and provident fund.
2. Lumpini Asset Management Co., Ltd (“Lumpini”) operates its business in Thailand. The main objective of the Company is to carry out the business of purchasing or taking transfer and managing of non-performing assets of financial institution which is its commercial bank, business funding or credit fancier license to revoke include related collateral for the purpose of asset management, development and disposals.

For the year ended December 31, 2017, Solaris has net loss of Baht 124.09 million and as at December 31, 2017, Solaris has accumulated loss of Baht 151.03 million and also has capital deficit amounting to Baht 25.63 million. According to the Notification of the Office of the Securities and Exchange Commission regarding “The Capital Adequacy of Management Company”, it requires the management company to maintain the capital adequacy not lower than the warning level at Baht 30 million. In case the management company cannot maintain the capital adequacy above the warning level, the management company has to report to the Office of the Securities and Exchange Commission including the plan to recover its owners’ equity to the warning level. As at December 31, 2017, Solaris has capital deficit amounting to Baht 25.63 million which is below the warning level. Therefore, on February 20, 2018, the board of directors’ meeting of Solaris passed a resolution to request the management to report to the Office of the Securities and Exchange Commission for the matter that the owners’ equity lower than warning level at Baht 30 million. Therefore, Solaris’s operation in the future will be depended on the guideline which the Office of the Securities and Exchange Commission will send a notification to Solaris in the next step (see Note 19 and 33.1).

Therefore, the subsidiary has a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Company prepares its financial statements in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand, where the format of financial statements is based on Thai Accounting Standard No. 1 (Revised 2016) “Presentation of Financial Statements”, and accounting practices generally accepted in Thailand and also the Notification of the Office of the Securities and Exchange Commission (“SEC”) No. SorTor. 22/2559, dated June 2, 2016, regarding “The Form of Financial Statements for Securities Companies (No. 2)” which becomes effective for fiscal years beginning effective on or after January 1, 2017.

Therefore, reclassifications have been made in the consolidated and separate financial position as at December 31, 2016 and the consolidated and separate statement of comprehensive income for the year ended December 31, 2016 to conform to the classifications used in the financial statement for the year ended December 31, 2017 as follows:

Consolidated statement of financial position as at December 31, 2016

Account name	Amount Baht	Previous classification	Current classification
Deposit at financial institutions	73,356,186	Deposit at financial institutions	Investment
Accrued fees and service income from asset management business	6,652,734	Other assets	Accrued fees and service income from asset management business
Accrued fees and service expenses from asset management business	756,192	Other liabilities	Accrued fees and service expenses from asset management business
Accrued expenses	20,992,268	Accrued expenses	Other liabilities

Consolidated statement of comprehensive income for the year ended December 31, 2016

Account name	Amount Baht	Previous classification	Current classification
Gain on investments	36,581,389	Gain on investments	Gain and return on financial instruments
Interest and dividend income	20,577,914	Interest and dividend income	Gain and return on financial instruments
Directors' remuneration	8,885,000	Directors' remuneration	Employee benefits expenses
Premises and equipment expenses	11,293,026	Premises and equipment expenses	Other expenses
Consulting fee	10,088,997	Consulting fee	Other expenses
Communication and information expenses	2,710,629	Communication and information expenses	Other expenses

Separate statement of financial position as at December 31, 2016

Account name	Amount Baht	Previous classification	Current classification
Deposit at financial institutions	50,356,186	Deposit at financial institutions	Investment
Accrued expenses	14,268,110	Accrued expenses	Other liabilities

Separate statement of comprehensive income for the year ended December 31, 2016

Account name	Amount Baht	Previous classification	Current classification
Gain on investments	14,414,807	Gain on investments	Gain and return on financial instruments
Interest and dividend income	156,925,258	Interest and dividend income	Gain and return on financial instruments
Directors' remuneration	6,600,000	Directors' remuneration	Employee benefits expenses
Premises and equipment expenses	6,192,708	Premises and equipment expenses	Other expenses
Consulting fee	8,003,302	Consulting fee	Other expenses
Communication and information expenses	1,216,831	Communication and information expenses	Other expenses

2.3 The consolidated financial statements for the years ended December 31, 2017 and 2016 include the accounts of the Company, Solaris Asset Management Co., Ltd., and Lumpini Asset Management Co., Ltd. which the Company has a holding of 100% in their equity of both subsidiaries. Significant transactions and balances between the Company and the subsidiaries have been eliminated.

The consolidated financial statements for the year ended December 31, 2017 included interest in an associated company's equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd., Scentimental (Thailand) Co., Ltd. and Absolute Yoga Co., Ltd. and The consolidated financial statement for the year ended December 31, 2016 included interest in an associated company's equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd. and Beacon Offshore Ltd. The Company had sold all shares in Beacon Offshore Ltd. in December 2016.

In addition, the Company has investments in Bill of Exchange issued by Phra Kanong Land Company Limited of Baht 500 million. The shareholders of such company made the agreement to pledge all of the company's ordinary shares as collateral. In addition, Phra Kanong Land Company Limited issued preferred shares to the Company, in which the preferred shares have the right to joint control with the ordinary shares to control assets of Phra Kanong Land Company Limited. As well as, the Company has representative as a director in Phra Kanong Land Company Limited and has joint control over the asset transactions.

On September 6, 2016, the Company already received the repayment on the Bill of Exchange, terminated the pledge of the ordinary shares, transfer preferred shares back to Phra Kanong Land Company Limited and cancelled the appointment of director. Therefore, the Company has no joint control over such company.

- 2.4 The preparation of financial statements in conformity with Thai Financial Reporting Standards also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

3. NEW THAI FINANCIAL REPORTING STANDARDS

- 3.1 Thai Financial Reporting Standards affecting the presentation and disclosure in the current year financial statements

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

- 3.2 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding 56 Thai Financial Reporting Standards (TFRSs) that will be effective for the financial statements for the period beginning on or after January 1, 2018 onwards, which has been announced in the Royal Gazette on September 26, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The Group's management will adopt such TFRSs in the preparation of the Company's financial statements when it becomes effective. The Group's management is in the process to assess the impact of these TFRSs on the financial statements of the Company in the period of initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention except those disclosed in the significant accounting policies.

Significant accounting policies adopted by the Company and its subsidiary are summarized below:

4.1 Revenue and expense recognition

Brokerage fees

Brokerage fees on securities and derivatives trading are recognized as income on the transaction dates.

Fees and service income

Fees are recognized as income on an accrual basis and service income is recognized on the basis of percentage of completion, as specified in the service agreement.

Interest on margin loans

Interest is recognized on an accrual basis, but where there is uncertainty as to the collectability of loans and interest, the Company ceases accrual.

In the following cases, collectability of loans and interest is held to be uncertain.

- 1) Loans which are not fully collateralized
- 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months
- 3) Installment loans with repayments scheduled no less frequently than every 3 months, unless this is clear evidence and a high degree of certainty that full repayment will be received
- 4) Problem financial institution loans
- 5) Other receivables from which interest payment is overdue for 3 months or more

These conditions are based on the guidelines stipulated by the Office of Securities and Exchange Commission.

Gain (loss) on trading in securities and derivatives

Gain (loss) on trading in securities and derivatives are recognized as income or expenses on the transaction dates.

Interest and dividend on investments in securities

Interest on investments is recognized as income on an accrual basis. Dividend on investments is recognized as income when the dividend is declared.

Expenses

Expenses are recognized on an accrual basis.

4.2 Interest on borrowing

Interest on borrowing is recognized as expense on an accrual basis.

4.3 Recognition and amortization of customer deposits

Money which customers have placed with the Company in cash accounts and credit balance for securities trading is recorded as the assets and liabilities of the Company for internal control purposes. At the end of reporting period, the Company writes these amounts off from both assets and liabilities and presents only assets and liabilities which belong to the Company.

4.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, current accounts, saving accounts, time deposit with original maturity not more than 3 months and without commitments, call note receivables and term note receivables with original maturity not more than 3 months. This accords with the Notification issued by the Office of the Securities and Exchange Commission.

4.5 Investments in debt and equity securities

Investments in securities held for trading are determined at fair value. Gain or loss arising from change in value of securities is included in the statements of comprehensive income.

Investments in available-for-sale securities, both held for short-term and long-term investments, are determined at fair value. The change in value of securities is recorded in other components of equity until securities are sold, then, the change shall be included in the profit or loss in statement of comprehensive income.

Investments in debt securities due within one year and expected to be held to maturity are determined at amortized cost.

The premium/discount on debt securities is amortized using the effective rate method with the amortized amount presented as an adjustment to interest income.

Investments in non-marketable equity securities, which the Company holds as general investments, are valued at cost, net of allowance for impairment (if any).

Gains and losses on sale of investments are determined by the weighted average method and recognized in the statements of comprehensive income.

Loss on impairment (if any) of investments in available-for-sale securities and general investments are included in statement of comprehensive income when the carrying amount exceeds its recoverable value.

The fair value of marketable securities is based on the latest bid price of the last working day of the period as quoted on the Stock Exchange of Thailand. The fair value of unit trust is determined from its net asset value. The fair value of debentures is calculated by using the latest bid yield as quoted by the Thai Bond Market Association.

4.6 Investments in subsidiary and associated companies

Investments in subsidiary and associated companies are accounted for under the cost method in the separate financial statement net of allowances for impairment (if any).

Investments in subsidiary and associated companies are accounted for under the equity method in the consolidated financial statements.

4.7 Receivable and payable from/to Clearing House

Net balances of receivable or payable incurred from settlement of securities trading each day through Thailand Securities Depository Co., Ltd., the securities clearing house, are presented as net balance receivable or payable from/to Clearing House in accordance with the Notification of the Office of the Securities and Exchange Commission (“SEC”) No. SorTor. 22/2559, dated June 2, 2016, regarding “The Form of Financial Statements for Securities Companies (No.2)”.

4.8 Securities and derivatives business receivables and allowance for doubtful accounts

Securities and derivatives business receivables comprise three categories which are receivables from securities and derivatives businesses of cash accounts, loan for securities purchases and other receivables. Receivables from securities and derivatives businesses of cash accounts are the receivables that were derived from cash settlements within 3 working days and 1 working day, respectively, after the securities and derivatives purchasing date. Loans for securities purchases are accounts that debtors are granted loans for securities purchasing with collaterals at the rate which is not lower than the rate required by the Stock Exchange of Thailand. Other receivables include overdue receivables from securities and derivatives businesses of cash accounts and restructured or installment receivables.

The allowance for doubtful accounts on securities and derivatives business receivables is based on management’s review and assessment of the status of individual debtor and overall debtors as well as the requirements as stated in the Office of the Securities and Exchange Commission’s Notifications No. Kor Thor. 33/2543 and Kor Thor. 5/2544 dated August 25, 2000 and February 15, 2001, respectively. Such assessment takes into consideration various factors including the risks involved and the value of collateral.

Allowance is made for the estimated losses that might be incurred where the debts are not fully secured and/or there exists a possibility that principal and interest cannot be recovered in full. The Company has provided an allowance for doubtful debts based on a review of debtor’s repayment capability, taking into consideration risk in recovery and value of collateral. An allowance will be set aside for doubtful debts not fully covered by collateral and/or debtors which are expectable not to be recovered in full. Such debt classifications and provisions are in accordance with guidelines of the Office of the Securities and Exchange Commission as follows:

- a) Assets classified as loss are to satisfy the following criteria:
- 1) Loan balances which the Company has already made every effort to collect, but which remain unpaid and which the Company has already written off in accordance with tax law
 - 2) Loan balances which the Company has forgiven
- b) Doubtful debt is defined as the uncollateralized portion of the value of a debt which meets the following criteria:
- 1) General loans, problem financial institution loans, and other loans for which the collateral value is less than the loan balance
 - 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months
 - 3) Installment loans with repayments scheduled no less frequently than every 3 months, unless there is clear evidence and a high degree of certainty that full repayment will be received
- c) Substandard debt is defined as the collateralized portion of loans which meet the criteria in b).

Loans classified as loss will be written off when identified. Provision will be set aside for loans classified as doubtful at not less than 100% of the loan balances.

4.9 Building improvement and equipment

Building improvement and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated by reference to its cost on a straight-line basis over the following estimated useful lives:

Building improvement	5 years
Office equipment	3 - 5 years
Vehicles	5 years

Impairment

At the end of reporting period, the Company reviews whether there is an indicator indicating that the assets are impaired. In case there is an indicator, the Company will estimate the recoverable amount of such assets. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized as expense immediately.

Gains and losses on disposals are determined by comparing proceeds with carrying amount of building improvement and equipment. These are included in the statements of comprehensive income.

4.10 Assets classified as held for sale

Assets are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the assets are available for immediate sale in its present condition.

Assets held for sale consist of immovable property which is stated at the lower of cost or fair value after deducting cost to sell. Loss on impairment will be recorded as expense in the statements of comprehensive income.

Gain or loss on disposals of assets classified as held for sale is recognized in the statements of comprehensive income at the date of disposal.

4.11 Intangible assets

Intangible assets with definite useful life are stated at cost less accumulated amortization.

Amortization is charged to the statements of profit or loss and other comprehensive income on a straight-line basis over its estimated useful life as follow:

Computer software	5 years
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Intangible assets with indefinite useful life consist of deferred license fees which are tested for impairment annually and whenever there is an indication that the intangible assets may be impaired and allowance for impairment is recognized (if any).

4.12 Securities and derivatives business payables

Securities and derivatives business payables are the obligations of the Company in respect of its securities and derivatives businesses with outside parties, such as the net payable balances of cash accounts.

4.13 Long-term lease

4.13.1 Operating lease

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating lease. Rentals applicable to such operating leases are charged to the statements of profit or loss and other comprehensive income over the lease term.

4.13.2 Finance lease

Lease in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company is accounted for as finance lease. At inception, the fair value of the leased assets is recorded together with the obligation. The leased assets are depreciated using term of contract. Interest or financial charge is recognized by effective interest rate method over the term of contracts. Interest or financial charge and depreciation are recognized as expenses in the statements of comprehensive income.

4.14 Employee benefits

4.14.1 Provident fund

The Company and its subsidiary set up a provident fund which is a defined contribution plan. Assets of the provident fund have been separated from assets of the Company and its subsidiary and managed by the fund manager. The fund has been contributed by the employee and also the Company and its subsidiary. The contributions for provident fund are recorded as expense in the statements of comprehensive income for the period they incur.

4.14.2 Post-employment benefits

The Company and its subsidiary operate post-employment benefits plans under the Thai Labor Protection Act and the Company's retirement benefits plan. Such employee benefits are calculated based on actuarial assumptions at the end of reporting period using Projected Unit Credit Method, which is estimated based on the present value of expected cash flows of benefits to be paid in the future taken into account the actuarial assumptions, including salaries, turnover rate, mortality rate, years of service and other factors. Discount rate used in calculation of the post-employment benefits obligation is referred from the yield curve of government bond. Gains or losses from changes in estimate are recognized as other comprehensive income in the statements of comprehensive income for the period they incur. Expenses related to employee benefits are recognized in the statements of comprehensive income in order to allocate such costs throughout the service period.

4.14.3 Unused paid vacation leave

The Company and its subsidiary recognize the expected cost of short-term employee benefits in the form of accumulating unused paid vacation leave when the employees render service that increases their entitlement to future paid vacation leave. The expected cost of accumulating unused paid vacation leave is measured as the additional amount that the Company and its subsidiary expect to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

4.15 Provisions

The Company and its subsidiary recognize provisions in the financial statements when the amount of the liability can be reliably estimated and it is current commitment that is probable that loss of resources which are of economic benefit to the Company and its subsidiary will result from settlement of such commitments.

4.16 Income tax

Income tax comprises current income tax and deferred income tax.

4.16.1 Current income tax

Current income tax is the amount income tax expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

4.16.2 Deferred income tax

Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). The Company and its subsidiary generally recognize deferred tax liabilities for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered by the Company and its subsidiary. The Company and its subsidiary do not recognize deferred tax assets and liabilities for the goodwill.

The Company and its subsidiary measure deferred tax assets and liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiary to off set the recognized amounts and the Company and its subsidiary intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

The Company and its subsidiary present income tax expenses or income related to profit or loss in the statement of comprehensive income. Current income taxes and deferred taxes related to items recognized directly in other comprehensive income in equity in the same or different period are recognized directly in other comprehensive income.

4.17 Earnings (loss) per share

Basic earnings (loss) per share are determined by dividing net income (loss) for the period by the weighted average number of ordinary shares held by outside parties outstanding during the period.

During the periods, the Company has no potential ordinary share for calculating diluted earnings (loss) per share.

4.18 Foreign currency translation

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency at the end of reporting period are translated to Thai Baht at the exchange rate prevailing at the end of reporting period. Gain and loss resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of comprehensive income.

4.19 Risk management and prevention

Financial instruments carried in the statements of financial position include cash and cash equivalents, securities business receivables and investments. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.20 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and closed members of family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

4.21 Use of management judgments

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Company's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

4.22 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

5. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2017 Baht	December 31, 2016 Baht	December 31, 2017 Baht	December 31, 2016 Baht
Cash, short-term deposits and promissory notes with original maturity less than 3 months	342,458,733	389,320,536	324,854,543	360,930,111
<u>Less</u> Cash deposits held for customers*	<u>(12,137,303)</u>	<u>(12,954,955)</u>	<u>(12,136,303)</u>	<u>(12,261,955)</u>
Total cash and cash equivalents	<u>330,321,430</u>	<u>376,365,581</u>	<u>312,718,240</u>	<u>348,668,156</u>

(* According to the announcement of the SEC, deposit accounts for the customers are not required to present as assets and liabilities in the financial statements.)

As at December 31, 2017 and 2016, the Company had deposits at financial institutions held for customers in the consolidated statements of financial position in amounting to Baht 12.14 million and Baht 12.95 million, respectively, and the separate statements of financial position in amounting to Baht 12.14 million and Baht 12.26 million, respectively, which the Company must return to the customers at call.

As at December 31, 2017 and 2016, the securities business cash customers of 428 accounts and 446 accounts, respectively, which were transferred to KT ZMICO Securities Co., Ltd. (see Note 34), have not yet returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd. Such customers have deposits for securities trading of Baht 4.31 million and Baht 4.43 million, respectively, and shares with the values of Baht 152.67 million and Baht 130.06 million, respectively. However, when the customers have returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd., the assets of these customers will be returned to KT ZMICO Securities Co., Ltd.

6. SECURITIES BUSINESS RECEIVABLES

The Company has securities business receivables as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017 Baht	As at December 31, 2016 Baht
Securities business receivables	-	4,821,854
Other receivables		
Receivables under litigation	62,654,566	62,654,566
Total securities business receivables	62,654,566	67,476,420
<u>Less</u> Allowance for doubtful accounts (see Note 7)	<u>(62,654,566)</u>	<u>(62,654,566)</u>
Total	<u>-</u>	<u>4,821,854</u>

The Company has classified securities business receivables in accordance with the Notification of the Office of the Securities and Exchange Commission on the non-performing receivables No. Kor Thor. 33/2543 dated August 25, 2000, which is updated by the Notification No. Kor Thor. 5/2544 dated February 15, 2001 as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at December 31, 2017			As at December 31, 2016		
	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful account set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful accounts set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht
Normal debts	-	-	-	4,821,854	-	4,821,854
Substandard debts	-	-	-	-	-	-
Doubtful debts	62,654,566	(62,654,566)	-	62,654,566	(62,654,566)	-
Total	<u>62,654,566</u>	<u>(62,654,566)</u>	<u>-</u>	<u>67,476,420</u>	<u>(62,654,566)</u>	<u>4,821,854</u>

The substandard and doubtful debts (securities business receivables and accrued interest receivables) are classified by aging as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017 Baht	As at December 31, 2016 Baht
Over 3 years	62,654,566	62,654,566
Total	<u>62,654,566</u>	<u>62,654,566</u>

7. ALLOWANCE FOR DOUBTFUL ACCOUNTS

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017 Baht	As at December 31, 2016 Baht
Beginning balance of the period	62,654,566	58,607,306
Doubtful accounts	-	4,047,260
Ending balance of the period (see Note 6)	<u>62,654,566</u>	<u>62,654,566</u>

8. INVESTMENTS

8.1 The Company has investments in debt and equity securities classified by investment type as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at December 31, 2017		As at December 31, 2016	
	Cost/ Book value Baht	Fair value Baht	Cost/ Book value Baht	Fair value Baht
<u>Trading securities</u>				
Equity securities - List securities	277,495,814	245,972,314	99,240,748	90,274,004
Debt securities - Corporate bond	25,309,476	27,024,289	25,373,346	26,824,556
Debt securities - Bill of exchange	693,381,940	599,810,912	696,546,890	702,906,321
Total	996,187,230	872,807,515	821,160,984	820,004,881
Less Revaluation adjustments	(18,379,715)	-	(1,156,103)	-
Less Allowance for impairment	(105,000,000)	-	-	-
Total trading securities	<u>872,807,515</u>	<u>872,807,515</u>	<u>820,004,881</u>	<u>820,004,881</u>
<u>Available-for-sale securities</u>				
Equity securities - List securities	7,351,996	4,425,246	76,893,631	288,327,412
Add (Less) Revaluation adjustments	(2,926,750)	-	211,433,781	-
Total available-for-sale securities	<u>4,425,246</u>	<u>4,425,246</u>	<u>288,327,412</u>	<u>288,327,412</u>
<u>Held to-maturity investments</u>				
Deposits at financial institutions	23,191,912	23,191,912	73,356,186	73,356,186
Total held-to-maturity investments	<u>23,191,912</u>	<u>23,191,912</u>	<u>73,356,186</u>	<u>73,356,186</u>
<u>General investments</u>				
Ordinary shares	338,032,114	262,401,202	353,533,014	300,164,731
Preference shares	125,000	125,000	125,000	125,000
Total	338,157,114	262,526,202	353,658,014	300,289,731
Less Allowance for impairment	(75,630,912)	-	(53,368,283)	-
Total general investments	<u>262,526,202</u>	<u>262,526,202</u>	<u>300,289,731</u>	<u>300,289,731</u>
Total investments	<u>1,162,950,875</u>	<u>1,162,950,875</u>	<u>1,481,978,210</u>	<u>1,481,978,210</u>

SEPARATE FINANCIAL STATEMENTS

	As at December 31, 2017		As at December 31, 2016	
	Cost/ Book value Baht	Fair value Baht	Cost/ Book value Baht	Fair value Baht
<u>Trading securities</u>				
Equity securities - List securities	277,495,814	245,972,314	91,388,221	82,339,254
Debt securities - Corporate bond	25,309,476	27,024,289	25,373,346	26,824,556
Debt securities - Bill of exchange	651,381,940	638,866,087	646,863,367	653,130,918
Total	954,187,230	911,862,690	763,624,934	762,294,728
<u>Less</u> Revaluation adjustments	(16,692,044)	-	(1,330,206)	-
<u>Less</u> Allowance for impairment	(25,632,496)	-	-	-
Total trading securities	911,862,690	911,862,690	762,294,728	762,294,728
<u>Available-for-sale securities</u>				
Equity securities - List securities	7,351,996	4,425,246	76,893,631	288,327,412
<u>Add (Less)</u> Revaluation adjustments	(2,926,750)	-	211,433,781	-
Total available-for-sale securities	4,425,246	4,425,246	288,327,412	288,327,412
<u>Held-to-maturity investments</u>				
Deposits at financial institutions	-	-	50,356,186	50,356,186
Total Held-to-maturity investments	-	-	50,356,186	50,356,186
<u>General investments</u>				
Ordinary shares	338,032,114	262,401,202	353,533,014	300,164,731
Preference shares	125,000	125,000	125,000	125,000
Total	338,157,114	262,526,202	353,658,014	300,289,731
<u>Less</u> Allowance for impairment	(75,630,912)	-	(53,368,283)	-
Total general investments	262,526,202	262,526,202	300,289,731	300,289,731
Total investments	1,178,814,138	1,178,814,138	1,401,268,057	1,401,268,057

As at February 22, 2017, the Company reclassified one of its securities from available-for-sale investments to trading investments due to the company has planned to sell such investments in the near term. The reclassification was affected to gain on change investments from available-for-sale investments to trading investments in amount of Baht 180.56 million.

As at December 31, 2017, the subsidiary provided additional allowance for impairment of trading securities - Bill of Exchange of Baht 105.00 million in the consolidated financial statements which resulted to the Company provided allowance for impairment of trading securities - Bill of Exchange issued by a subsidiary of Baht 25.63 million in the separate financial statements (see Note 9).

8.2 Investments in deposits at financial institutions with outstanding maturities of contracts as follow:

CONSOLIDATED FINANCIAL STATEMENTS				
As at December 31, 2017				
	Within 1 year	1 - 5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht
Held-to-maturity investments	23,191,912	-	-	23,191,912
Total held-to-maturity investments	23,191,912	-	-	23,191,912

CONSOLIDATED FINANCIAL STATEMENTS				
As at December 31, 2016				
	Within 1 year	1 - 5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht
Held-to-maturity investments	73,356,186	-	-	73,356,186
Total held-to-maturity investments	73,356,186	-	-	73,356,186

SEPARATE FINANCIAL STATEMENTS				
As at December 31, 2017				
	Within 1 year	1 - 5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht
Held-to-maturity investments	-	-	-	-
Total held-to-maturity investments	-	-	-	-

SEPARATE FINANCIAL STATEMENTS				
As at December 31, 2016				
	Within 1 year	1 - 5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht
Held-to-maturity investments	50,356,186	-	-	50,356,186
Total held-to-maturity investments	50,356,186	-	-	50,356,186

8.3 Gain (loss) on re-measuring available-for-sale investments recognized in owners' equity

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Beginning balance of the period	175,028,622	(6,347,606)	175,028,622	(6,347,606)
Changes during the period				
- from deferred tax adjustment	42,872,106	(45,344,056)	42,872,106	(45,344,056)
- from re-measuring of investments	(33,801,686)	226,720,284	(33,801,686)	226,720,284
- from change of investment classification	(180,558,845)	-	(180,558,845)	-
Ending balance of the period	3,540,197	175,028,622	3,540,197	175,028,622

8.4 The Company has general investments in companies that have financial position and performance problems as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at December 31, 2017			As at December 31, 2016		
	Cost/ Book value Baht	Fair value Baht	Allowance for impairment loss Baht	Cost/ Book value Baht	Fair value Baht	Allowance for impairment loss Baht
Ordinary shares	7,808	879	6,929	7,808	845	6,963
	<u>7,808</u>	<u>879</u>	<u>6,929</u>	<u>7,808</u>	<u>845</u>	<u>6,963</u>

9. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES

The Company's investments in its subsidiary and associated companies, which are companies registered under Thai laws and operating in Thailand, are summarized below:

Company name	Type of business	Type of shares invested	CONSOLIDATED FINANCIAL STATEMENTS							
			Paid-up capital		% of voting right		Cost method		Equity method	
			As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Associate										
KT ZMICO										
Securities Co., Ltd	Securities business	Ordinary share	2,137.8	2,137.8	49.71	49.71	1,244.1	1,244.1	1,355.3	1,377.2
Scentimental (Thailand) Co., Ltd	Import Export Retail and whole sale perfume and cosmetics	Ordinary share	30.0	-	46.00	-	13.8	-	14.2	-
Absolute Yoga Co., Ltd	Yoga Studio, Food and hotel business	Ordinary share	60.0	-	30.00	-	217.8	-	210.8	-
Total							<u>1,475.7</u>	<u>1,244.1</u>	<u>1,580.3</u>	<u>1,377.2</u>

SEPARATE FINANCIAL STATEMENTS											
Company name	Type of business	Type of shares invested	Paid-up capital		% of voting right		Cost method		Equity method		
			As at	As at	As at	As at	As at	As at	As at	As at	
			December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
			2017	2016	2017	2016	2017	2016	2017	2016	
	Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht			
Subsidiary											
Solaris Asset Management Co., Ltd.	Mutual, private and provident fund	Ordinary									
	management share		125.4	125.4	100.00	100.00	173.1	173.1	(25.6)	98.8	
Lumpini Asset Management Co., Ltd.	Purchasing or taking transfer of non-performing asset of financial institution	Ordinary									
	share		25.0	25.0	100.00	100.00	25.0	25.0	24.5	24.5	
Less Allowance for impairment							(173.1)	(74.3)	-	-	
							25.0	123.8	(1.1)	123.3	
Associate											
KT ZMICO											
Securities Co., Ltd.	Securities business	Ordinary									
	share		2,137.8	2,137.8	49.71	49.71	1,244.1	1,244.1	1,355.3	1,377.2	
Scentimental (Thailand) Co., Ltd.	Import Export	Ordinary									
	Retail and whole sale perfume and cosmetics	share	30.0	-	46.00	-	13.8	-	14.2	-	
Absolute Yoga Co., Ltd.	Yoga Studio, Food and hotel business	Ordinary									
	share		60.00	-	30.00	-	217.8	-	210.8	-	
							1,475.7	1,244.1	1,580.3	1,377.2	
Total							1,500.7	1,367.9	1,579.2	1,500.5	

In August 2017, the subsidiary sued an issuer of bill of exchange of Baht 105.00 million because the issuer cannot make repayment when the Bill of Exchange was matured, therefore the subsidiary provided allowance for impairment of trading securities - Bill of Exchange of Baht 105.00 million presented in the consolidated financial statements for the year ended December 31, 2017. For the separate financial statements, the Company provided allowance for impairment for investment in subsidiary of Baht 79.37 million and provided allowance for impairment of trading securities - Bill of Exchange issued by a subsidiary of Baht 25.63 million (see Note 8).

Summarized financial information in respect of the associated companies is set out below:

	As at December 31, 2017 Million Baht	As at December 31, 2016 Million Baht
Total assets	9,351.4	10,707.7
Total liabilities	<u>(6,744.5)</u>	<u>(8,272.5)</u>
Net assets	<u>2,606.9</u>	<u>2,435.2</u>

	For the years ended December 31,	
	2017 Million Baht	2016 Million Baht
Total revenue	1,889.2	2,046.0
Net income (loss) for the period	(30.7)	377.8
Net other comprehensive income (loss) for the period	(47.1)	(2.6)
Dividend received from an associated company	-	137.8

On January 17, 2017, the Board of Investment Committee's meeting passed the resolution to invest in ordinary shares of Scentimental (Thailand) Co., Ltd. which is the Company's associated company. The investment value of Baht 13.80 million consists of 138,000 ordinary shares with a par value of Baht 100 per share, accounting for 46% of the paid-up share capital of the Company in the associated company.

On February 22, 2017, the Board of Investment Committee's meeting passed the resolution to invest in ordinary shares of Absolute Yoga Co., Ltd. which is the Company's associated company. The investment value of Baht 217.80 million consists of 1,800,000 ordinary shares with a par value of Baht 10 per share, accounting for 30% of the paid-up share capital of the Company in the associated company.

As at December 31, 2017 and 2016, the paid-up share capital of Solaris Asset Management Co., Ltd. which is the Company's subsidiary is Baht 125.4 million, consisting of 22,800,000 ordinary shares of Baht 5.5 per share. As at December 31, 2017 and 2016, the subsidiary's shares are held by the Company 100%.

As at December 31, 2017 and 2016, the paid-up share capital of Lumpini Asset Management Co., Ltd. which is the Company's subsidiary is Baht 25 million, consisting of 2,500,000 ordinary shares of Baht 10 per share. As at December 31, 2017 and, 2016, the subsidiary's shares are held by the Company 100%.

10. BUILDING IMPROVEMENTS AND EQUIPMENT

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at	Increase	Decrease	Balance as at
	January 1,			December 31,
	2017			2017
	Baht	Baht	Baht	Baht
Cost				
Building improvement	7,701,654	67,363	-	7,769,017
Office equipment	12,564,154	174,212	(166,080)	12,572,286
Vehicles	5,782,600	5,490,000	(3,844,600)	7,428,000
Total cost	<u>26,048,408</u>	<u>5,731,575</u>	<u>(4,010,680)</u>	<u>27,769,303</u>
Accumulated depreciation				
Building improvement	(5,317,684)	(1,097,041)	-	(6,414,725)
Office equipment	(10,343,042)	(1,194,764)	135,876	(11,401,930)
Vehicles	(2,417,966)	(1,396,716)	2,336,252	(1,478,430)
Total accumulated depreciation	<u>(18,078,692)</u>	<u>(3,688,521)</u>	<u>2,472,128</u>	<u>(19,295,085)</u>
Total building improvements and equipment	<u>7,969,716</u>			<u>8,474,218</u>

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at	Increase	Decrease	Balance as at
	January 1,			December 31,
	2016			2016
	Baht	Baht	Baht	Baht
Cost				
Building improvement	7,491,034	210,620	-	7,701,654
Office equipment	12,081,570	482,584	-	12,564,154
Vehicles	5,782,600	-	-	5,782,600
Total cost	<u>25,355,204</u>	<u>693,204</u>	<u>-</u>	<u>26,048,408</u>
Accumulated depreciation				
Building improvement	(4,189,016)	(1,128,668)	-	(5,317,684)
Office equipment	(8,812,740)	(1,530,302)	-	(10,343,042)
Vehicles	(1,261,446)	(1,156,520)	-	(2,417,966)
Total accumulated depreciation	<u>(14,263,202)</u>	<u>(3,815,490)</u>	<u>-</u>	<u>(18,078,692)</u>
Total building improvements and equipment	<u>11,092,002</u>			<u>7,969,716</u>
Depreciation for the years ended December 31,				
2017				<u>3,688,521</u>
2016				<u>3,815,490</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at	Increase	Decrease	Balance as at
	January 1,			December 31,
	2017			2017
	Baht	Baht	Baht	Baht
Cost				
Building improvement	4,796,572	67,363	-	4,863,935
Office equipment	2,085,383	95,212	(166,080)	2,014,515
Vehicles	5,782,600	5,490,000	(3,844,600)	7,428,000
Total cost	<u>12,664,555</u>	<u>5,652,575</u>	<u>(4,010,680)</u>	<u>14,306,450</u>
Accumulated depreciation				
Building improvement	(2,617,737)	(971,340)	-	(3,589,077)
Office equipment	(1,745,820)	(154,091)	135,876	(1,764,035)
Vehicles	(2,417,966)	(1,396,716)	2,336,252	(1,478,430)
Total accumulated depreciation	<u>(6,781,523)</u>	<u>(2,522,147)</u>	<u>2,472,128</u>	<u>(6,831,542)</u>
Total building improvements and equipment	<u>5,883,032</u>			<u>7,474,908</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at	Increase	Decrease	Balance as at
	January 1,			December 31,
	2016			2016
	Baht	Baht	Baht	Baht
Cost				
Building improvement	4,656,572	140,000	-	4,796,572
Office equipment	1,944,119	141,264	-	2,085,383
Vehicles	5,782,600	-	-	5,782,600
Total cost	<u>12,383,291</u>	<u>281,264</u>	<u>-</u>	<u>12,664,555</u>
Accumulated depreciation				
Building improvement	(1,665,627)	(952,110)	-	(2,617,737)
Office equipment	(1,409,569)	(336,251)	-	(1,745,820)
Vehicles	(1,261,446)	(1,156,520)	-	(2,417,966)
Total accumulated depreciation	<u>(4,336,642)</u>	<u>(2,444,881)</u>	<u>-</u>	<u>(6,781,523)</u>
Total building improvements and equipment	<u>8,046,649</u>			<u>5,883,032</u>

Depreciation for the years ended December 31,

2017	<u>2,522,147</u>
2016	<u>2,444,881</u>

As at December 31, 2017 and 2016, in the consolidated financial statements, there are certain building improvements and equipment items that have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 11.6 million and Baht 9.5 million, respectively.

For the separate financial statements as at December 31, 2017 and 2016 the Company has building improvements and equipment items which have been fully depreciated but are still in use. The original cost before deducting accumulated depreciation, of those assets amounted to Baht 1.6 million and Baht 1.1 million, respectively.

11. INTANGIBLE ASSETS

CONSOLIDATED FINANCIAL STATEMENTS						
	Useful lives	Balance as at January 1, 2017	Additions	Amortization	Write-off/ Transfer out	Balance as at December 31, 2017
		Baht	Baht	Baht	Baht	Baht
Deferred license fees						
Mutual fund management	Indefinite*	803,836	-	-	-	803,836
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Private fund management	Indefinite*	464,109	-	-	-	464,109
Asset Management	Indefinite*	100,000	-	-	-	100,000
Computer software	5 years	141,674	10,050	(47,493)	-	104,231
Total		4,830,167	10,050	(47,493)	-	4,792,724

CONSOLIDATED FINANCIAL STATEMENTS						
	Useful lives	Balance as at January 1, 2016	Additions	Amortization	Write-off/ Transfer out	Balance as at December 31, 2016
		Baht	Baht	Baht	Baht	Baht
Deferred license fees						
Mutual fund management	Indefinite*	803,836	-	-	-	803,836
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Private fund management	Indefinite*	464,109	-	-	-	464,109
Asset Management	Indefinite*	-	100,000	-	-	100,000
Computer software	5 years	134,992	52,250	(45,568)	-	141,674
Total		4,723,485	152,250	(45,568)	-	4,830,167

Amortization for the years ended December 31,

2017	47,493
2016	45,568

SEPARATE FINANCIAL STATEMENTS						
	Useful lives	Balance as at January 1, 2017	Additions	Amortization	Write-off/ Transfer out	Balance as at December 31, 2017
		Baht	Baht	Baht	Baht	Baht
Deferred license fees						
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Computer software	5 years	1	-	-	-	1
Total		3,320,549	-	-	-	3,320,549

SEPARATE FINANCIAL STATEMENTS					
Useful lives	Balance as at January 1, 2016	Additions	Amortization	Write-off/ Transfer out	Balance as at December 31, 2016
	Baht	Baht	Baht	Baht	Baht
Deferred license fees					
Derivatives business	Indefinite*	3,320,548	-	-	3,320,548
Computer software	5 years	1	-	-	1
Total		<u>3,320,549</u>	<u>-</u>	<u>-</u>	<u>3,320,549</u>

Amortization for the years ended December 31,

2017	<u>-</u>
2016	<u>-</u>

* Deferred license fees have indefinite useful lives as they have no expiring date and they are expected to contribute to the Company and its subsidiary's net cash inflows indefinitely.

As at December 31, 2017 and 2016, for the consolidated financial statements, the original cost before deducting accumulated amortization of computer software items, which have been fully amortized but are still in use is Baht 7.54 million. As at December 31, 2017 and 2016, for the separate financial statements, the Company has computer software items which have been fully amortized but are still in use is Baht 0.02 million.

12. DEFERRED INCOME TAX

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	205,960	211,285	205,960	211,285
Allowance for impairment of investments	56,328,606	26,983,118	56,328,606	26,983,118
Employee benefit obligations	-	390,866	-	-
Unrealized loss on re-measuring trading investments	6,304,700	2,112,743	6,304,700	2,028,330
Other assets	10,357	10,357	10,357	10,357
Tax loss carried forward	-	5,754,969	-	-
Unrealized gain on transfer of business to an associated company	<u>22,733,222</u>	<u>22,744,602</u>	<u>-</u>	<u>-</u>
	<u>85,582,845</u>	<u>58,207,940</u>	<u>62,849,623</u>	<u>29,233,090</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	36,474,937	1,940,204	36,474,937	1,820,971
Unrealized gain on re-measuring available-for-sale Investments	885,049	43,757,155	885,049	43,757,155
Unrealized gain on exchange rate	-	73,050	-	73,050
Amortization of license fees	<u>664,110</u>	<u>910,905</u>	<u>664,110</u>	<u>664,110</u>
	<u>38,024,096</u>	<u>46,681,314</u>	<u>38,024,096</u>	<u>46,315,286</u>
Deferred tax assets (liabilities)	<u>47,558,749</u>	<u>11,526,626</u>	<u>24,825,527</u>	<u>(17,082,196)</u>

The movements of deferred tax assets and liabilities during the periods are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	January 1,	recognized in	recognized in	December 31,
	2017	profit or loss	other comprehensive	2017
	(see Note 29)	income		
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	211,285	(5,325)	-	205,960
Allowance for impairment of investments	26,983,118	29,345,488	-	56,328,606
Employee benefit obligations	390,866	(390,866)	-	-
Unrealized loss on re-measuring trading investments	2,112,743	4,191,957	-	6,304,700
Other assets	10,357	-	-	10,357
Tax loss carried forward from subsidiary	5,754,969	(5,754,969)	-	-
Unrealized gain on transfer of business to an associated company	22,744,602	(11,380)	-	22,733,222
	<u>58,207,940</u>	<u>27,374,905</u>	<u>-</u>	<u>85,582,845</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	1,940,204	34,534,733	-	36,474,937
Unrealized gain on re-measuring Available-for-sale investments	43,757,155	-	(42,872,106)	885,049
Unrealized gain on exchange rate	73,050	(73,050)	-	-
Amortization of derivative license	910,905	(246,795)	-	664,110
	<u>46,681,314</u>	<u>34,214,888</u>	<u>(42,872,106)</u>	<u>38,024,096</u>
Deferred tax assets	<u>11,526,626</u>	<u>(6,839,983)</u>	<u>42,872,106</u>	<u>47,558,749</u>

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	January 1,	recognized in	recognized in	December 31,
	2016	profit or loss	other comprehensive	2016
	(see Note 29)	income		
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	216,610	(5,325)	-	211,285
Allowance for impairment of investments	29,512,066	(2,528,948)	-	26,983,118
Employee benefit obligations	312,996	77,870	-	390,866
Unrealized loss on re-measuring trading investments	1,678,667	434,076	-	2,112,743
Unrealized loss on re-measuring available investments	1,586,901	-	(1,586,901)	-
Other assets	10,357	-	-	10,357
Tax loss carried forward from subsidiary	14,567,337	(8,812,368)	-	5,754,969
Unrealized loss on transfer of business to an associated company	22,756,013	(11,411)	-	22,744,602
	<u>70,640,947</u>	<u>(10,846,106)</u>	<u>(1,586,901)</u>	<u>58,207,940</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	2,542,644	(602,440)	-	1,940,204
Unrealized gain on re-measuring Available-for-sale investments	-	-	43,757,155	43,757,155
Unrealized gain on exchange rate	470,490	(397,440)	-	73,050
Amortization of derivative license	848,850	62,055	-	910,905
Gain on remeasurement of defined benefit obligation	32,330	(32,330)	-	-
	<u>3,894,314</u>	<u>(970,155)</u>	<u>43,757,155</u>	<u>46,681,314</u>
Deferred tax assets	<u>66,746,633</u>	<u>(9,875,951)</u>	<u>(45,344,056)</u>	<u>11,526,626</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2017	Items as recognized in profit or loss (see Note 29)	Items as recognized in other comprehensive income	As at December 31, 2017
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	211,285	(5,325)	-	205,960
Allowance for impairment of investments	26,983,118	29,345,488	-	56,328,606
Unrealized loss on re-measuring trading investments	2,028,330	4,276,370	-	6,304,700
Other assets	10,357	-	-	10,357
	<u>29,233,090</u>	<u>33,616,533</u>	<u>-</u>	<u>62,849,623</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	1,820,971	34,653,966	-	36,474,937
Unrealized gain on re-measuring available-for-sale investments	43,757,155	-	(42,872,106)	885,049
Unrealized gain on exchange rate	73,050	(73,050)	-	-
Amortization of derivative license	664,110	-	-	664,110
	<u>46,315,286</u>	<u>34,580,916</u>	<u>(42,872,106)</u>	<u>38,024,096</u>
Deferred tax assets (liabilities)	<u>(17,082,196)</u>	<u>(964,383)</u>	<u>42,872,106</u>	<u>24,825,527</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2016	Items as recognized in profit or loss (see Note 29)	Items as recognized in other comprehensive income	As at December 31, 2016
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	216,610	(5,325)	-	211,285
Allowance for impairment of investments	29,512,066	(2,528,948)	-	26,983,118
Unrealized loss on re-measuring trading investments	1,599,536	428,794	-	2,028,330
Unrealized loss on re-measuring available-for-sale investments	1,586,901	-	(1,586,901)	-
Other assets	10,357	-	-	10,357
	<u>32,925,470</u>	<u>(2,105,479)</u>	<u>(1,586,901)</u>	<u>29,233,090</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	2,537,872	(716,901)	-	1,820,971
Unrealized gain on re-measuring available-for-sale investments	-	-	43,757,155	43,757,155
Unrealized gain on exchange rate	470,490	(397,440)	-	73,050
Amortization of derivative license	632,055	32,055	-	664,110
	<u>3,640,417</u>	<u>(1,082,286)</u>	<u>43,757,155</u>	<u>46,315,286</u>
Deferred tax assets (liabilities)	<u>29,285,053</u>	<u>(1,023,193)</u>	<u>(45,344,056)</u>	<u>(17,082,196)</u>

For the years ended December 31, 2017 and 2016, the Company has unused tax losses carry forward amounting to Baht 82.76 million and Baht 89.25 million, respectively, which will be expired within 5 years.

For the year ended December 31, 2017, the subsidiary reviewed the carrying amount of deferred tax and wrote down the deferred tax assets of Baht 5.86 million because the subsidiary expects there are no sufficient future taxable profit will be available against which the temporary differences can be utilized in the future.

As at December 31, 2017 and 2016, the subsidiary has unused tax loss carry forward of Baht 58.11 million and Baht 16.49 million, respectively, which will be expired within 5 years.

13. OTHER ASSETS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Accrued interest income	154,009	504,843	152,103	503,425
Prepaid insurance	127,418	182,381	127,418	182,381
Prepaid repair and maintenance	87,111	98,005	-	-
Prepaid SET fee	109,389	109,389	109,389	109,389
Prepaid other	319,167	313,332	94,546	89,131
Other deposits	936,001	1,130,628	589,251	783,878
Corporate income tax claim receivable	11,743,758	10,559,626	2,479,054	2,361,201
Advance payment for investment in Myanmar	48,771,900	53,488,200	48,771,900	53,488,200
Advance payment for legal fee of funds managed by subsidiary	13,440,792	-	-	-
Others	455,085	702,397	324,014	311,513
Total	<u>76,144,630</u>	<u>67,088,801</u>	<u>52,647,675</u>	<u>57,829,118</u>

14. OTHER BORROWINGS

As at December 31, 2017 and 2016, the Company has other borrowings, as follows:

	Interest rate per annum (%)	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			Total Baht
		As at December 31, 2017			
		Residual maturities			
		Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Other borrowings					
Bill of exchange	3.90 - 4.00	<u>675,908,797</u>	<u>-</u>	<u>-</u>	<u>675,908,797</u>
Total other borrowings		<u>675,908,797</u>	<u>-</u>	<u>-</u>	<u>675,908,797</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
As at December 31, 2016

	Interest rate per annum (%)	Residual maturities			Total Baht
		Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Other borrowings					
Bill of exchange	3.45 - 3.60	467,778,822	-	-	467,778,822
Total other borrowings		<u>467,778,822</u>	<u>-</u>	<u>-</u>	<u>467,778,822</u>

15. EMPLOYEE BENEFITS OBLIGATION

Employee benefits obligation consists of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017 Baht	As at December 31, 2016 Baht	As at December 31, 2017 Baht	As at December 31, 2016 Baht
Post-employment benefits obligation	10,544,435	6,896,312	8,193,231	5,480,726
Unused paid vacation leave	1,022,857	1,008,332	487,824	469,587
	<u>11,567,292</u>	<u>7,904,644</u>	<u>8,681,055</u>	<u>5,950,313</u>

Post-employment benefits obligation

The Company and its subsidiary operate post-employment benefits plans under the Thai Labor Protection Act and the Company's retirement benefits plan, which are considered as unfunded defined benefit plans.

Amounts recognized in the statements of comprehensive income in respect of the post-employment benefits plans are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended December 31, 2017 Baht	For the year ended December 31, 2016 Baht	For the year ended December 31, 2017 Baht	For the year ended December 31, 2016 Baht
Current service cost	1,669,865	1,308,145	996,966	869,718
Interest cost	178,340	142,232	140,852	115,532
	<u>1,848,205</u>	<u>1,450,377</u>	<u>1,137,818</u>	<u>985,250</u>

Movements in the present value of the post-employment benefits obligation are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Beginning balance of post-employment benefits obligation	6,896,312	5,445,935	5,480,726	4,495,476
Current service cost	1,669,865	1,308,145	996,966	869,718
Interest cost	178,340	142,232	140,852	115,532
Actuarial (gain) loss in statement of comprehensive income				
- from experience adjustment	714,179	-	744,577	-
- from changes in demographic assumption	588,192	-	356,476	-
- from changes in financial assumption	651,807	-	473,634	-
Employee benefit paid during the year	(154,260)	-	-	-
Ending balance of post-employment benefits obligation	10,544,435	6,896,312	8,193,231	5,480,726

The principle actuarial assumptions used to calculate the obligation under the post-employment benefits plans as at December 31, 2017 and 2016 are as follows:

Financial assumptions	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	(% per annum)	
	December 31, 2017	December 31, 2016
Discount rate	1.91 - 2.20	2.57 - 2.81
Employee turnover rate	6.0 - 29.0	7.0 - 31.0
	Subject to range of age of employee	Subject to range of age of employee
Expected rate of salary increase	6.0	5.0 - 6.0

Significant actuarial assumptions for the determination of the defined benefit obligation are expected salary increase rate, mortality rate, and discount rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Salary incremental rates - 1% increase	657,584	508,346	459,048	374,830
Salary incremental rates - 1% decrease	(607,882)	(463,731)	(426,907)	(343,227)
Life expectancy rate - 1% increase	42,581	45,450	34,353	38,030
Life expectancy rate - 1% decrease	(42,384)	(45,109)	(34,189)	(37,734)
Turnover rate - 1% increase	(635,324)	-	(443,708)	-
Turnover rate - 1% decrease	372,071	-	159,281	-
Discount rate - 1% increase	(584,735)	(440,973)	(409,890)	(325,702)
Discount rate - 1% decrease	644,915	492,699	449,401	362,587

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit Method at the end of the report period, which is the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

16. OTHER LIABILITIES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2017 Baht	December 31, 2016 Baht	December 31, 2017 Baht	December 31, 2016 Baht
Withholding tax payable	416,943	504,425	265,140	257,064
Value-added-tax payable	238,814	507,012	207,260	207,331
Others payable	6,432,466	6,479,366	6,159,501	6,154,918
Accrued expenses	5,607,701	20,992,268	4,975,182	14,268,110
Amounts of capital reduction and dividend not redeemed by shareholders	5,586,454	5,540,317	5,586,454	5,540,317
Liabilities under finance lease	-	16,770	-	16,770
Others	1,124,222	1,482,716	1,018,623	1,388,772
Total	19,406,600	35,522,874	18,212,160	27,833,282

17. SHARE CAPITAL

As at December 31, 2017 and 2016, the Company has issued and paid-up share capital of Baht 653,868,463.

Net asset value

As at December 31, 2017 and 2016, net asset value per share, which was determined by dividing owners' equity by the number of issued and paid-up shares which net of the number of treasury stocks at the end of reporting date, is as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2017 Baht	December 31, 2016 Baht	December 31, 2017 Baht	December 31, 2016 Baht
Net asset value (per share)	1.80	2.05	1.82	2.04

18. DIVIDEND

On April 27, 2017, the ordinary shareholders' meeting of the year 2017 has passed the resolution to approve the dividend payment for the operation for the year ended December 31, 2016 to the shareholders at the rate of Baht 0.10 per share equalling to Baht 130.74 million. The dividend was paid on May 15, 2017.

On April 29, 2016, the ordinary shareholders' meeting of the year 2016 has passed the resolution to approve the dividend payment for the operation for the year ended December 31, 2015 to the shareholders at the rate of Baht 0.09 per share equalling to Baht 117.69 million of which Baht 0.04 per share or totally Baht 52.30 million was paid as an interim dividend on September 24, 2015. Therefore, the remaining dividend to be paid for the year 2015 is Baht 0.05 per share equalling to Baht 65.37 million. The Company paid such dividend to the shareholders on May 13, 2016.

19. CAPITAL MANAGEMENT

The objectives of capital management of the Company and its subsidiary are to sustain the Company and its subsidiary's ability to continue as a going concern in order to generate returns to the shareholders and benefits for other stakeholders and also to maintain an optimal capital structure.

In addition, the Company and its subsidiary have to maintain their net liquid capital and equity to meet the requirements of the Office of the Securities and Exchange Commission and Thailand Clearing House Co., Ltd. ("TCH").

However, since May 2, 2013, the Company was approved to reactivate its investment advisory service, the Company is required to maintain its net liquid capital according to the Notification of the Securities and Exchange Commission No. Kor Thor. 4/2557 regarding "Ongoing capital adequacy of some specific intermediaries".

As at December 31, 2017 and 2016, the Company is able to maintain its net liquid capital more than the required condition.

As at December 31, 2017, Solaris has capital deficit amounting to Baht 25.63 million. It caused an effect to the Company cannot maintain its capital adequacy in accordance with the Notification of the Office of Securities and Exchange Commission regarding "Maintaining Capital Adequacy of Management Company" that requires the management company to maintain the capital adequacy in the warning level is determined at Baht 30 million. Therefore, on February 20, 2018, the board of directors' meeting of Solaris passed a resolution to request the management to report to the Office of the Securities and Exchange Commission for the matter that the owners' equity lower than warning level at Baht 30 million. Therefore, Solaris's operation in the future will be depended on the guideline which the Office of the Securities and Exchange Commission will send a notification to Solaris in the next step (see Notes 1 and 33.1).

20. PREMIUM ON SHARE CAPITAL

The share premium account is set up under the provisions of Section 51 of the Public Companies Act. B.E. 2535, which requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

21. STATUTORY RESERVE

Under the Public Limited Company Act. B.E. 2535, section 116, the Company is required to set aside as a statutory reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The statutory reserve is not available for dividend distribution.

As at December 31, 2017 and 2016, the Company has statutory reserve at the rate of 11.51 percent of authorized share capital.

22. FEE AND SERVICE INCOME

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Private fund management, mutual fund management and provident fund management	27,378,858	103,540,961	-	-
Total	<u>27,378,858</u>	<u>103,540,961</u>	<u>-</u>	<u>-</u>

23. GAIN AND RETURN ON FINANCIAL INSTRUMENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Gain on investment	231,294,842	36,581,389	230,284,167	14,414,807
Interest and dividend income	17,650,104	20,577,914	16,804,943	156,925,258
Total	<u>248,944,946</u>	<u>57,159,303</u>	<u>247,089,110</u>	<u>171,340,065</u>

24. DIRECTORS' REMUNERATION

Directors represent the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive position. Directors' remuneration for the year 2017 was approved by the ordinary shareholders' meeting of the Company and its subsidiary which were held on April 27, 2017 and April 17, 2017, respectively. Directors' remuneration for the year 2016 was approved by the ordinary shareholders' meetings of the Company and its subsidiary which were held on April 29, 2016 and April 20, 2016, respectively.

25. FEE AND SERVICE EXPENSES

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Fees for private fund, mutual fund and derivative licenses	1,346,603	1,485,548	-	-
Referral expense	426,663	35,848,760	-	-
Others	3,621,450	5,438,807	262,551	324,291
Total	<u>5,394,716</u>	<u>42,773,115</u>	<u>262,551</u>	<u>324,291</u>

26. IMPAIRMENT LOSS ON SECURITIES (REVERSAL)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Impairment loss from equity securities (reversal)	22,262,629	(700,855)	22,262,629	(700,855)
Impairment loss from Debt securities	105,000,000	-	25,632,496	-
Impairment loss on investment in subsidiary (reversal)	-	-	98,832,286	(11,943,901)
Impairment loss on investment in associated (reversal)	-	(51,208,115)	-	(69,986,665)
Total	<u>127,262,629</u>	<u>(51,908,970)</u>	<u>146,727,411</u>	<u>(82,631,421)</u>

27. OTHER EXPENSES

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Premises and equipment expenses	11,032,056	11,293,026	6,151,693	6,192,708
Consulting fee	11,680,816	10,088,997	8,689,038	8,003,302
Communication and information expenses	3,124,174	2,710,629	1,199,833	1,216,831
Entertainment expenses	320,824	617,502	98,760	100,145
Publication and marketing expenses	669,994	617,854	97,798	38,462
Traveling expenses	984,970	926,399	692,666	612,776
SET fee	2,948,486	2,305,016	2,948,486	2,305,016
Stationery and office supply	861,926	917,824	457,291	468,213
Taxation	423,062	322,931	417,289	316,692
Loss on exchange rate	8,740,518	1,987,201	8,740,518	1,987,201
Meeting and conference	511,021	550,081	478,293	526,971
Professional fee	3,108,385	3,354,607	1,684,596	1,298,390
Others	1,922,513	3,126,651	1,122,141	1,927,871
Total	<u>46,328,745</u>	<u>38,818,718</u>	<u>32,778,402</u>	<u>24,994,578</u>

28. PROVIDENT FUND

The Company and its subsidiary set up a provident fund for those employees who elected to participate. The contributions from the employees are deducted from their monthly salaries, and the Company and its subsidiary match the individuals' contributions. The provident fund are managed by MFC Asset Management Public Company Limited, which granted the license by Government to be an authorized fund manager in accordance with the Provident Fund Act B.E. 2530.

For the years ended December 31, 2017 and 2016, the Company has contributed Baht 0.94 million and Baht 0.81 million, respectively, to the fund and the subsidiary has contributed Baht 0.87 million and Baht 0.74 million, respectively, to the fund.

29. CORPORATE INCOME TAX

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Income tax - expenses (see Note 12)	(6,839,983)	(9,875,951)	(964,383)	(1,023,193)
Total	<u>(6,839,983)</u>	<u>(9,875,951)</u>	<u>(964,383)</u>	<u>(1,023,193)</u>

Reconciliation of income tax and the results of the accounting profit (loss) multiplied by the income tax rate are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Income before tax	16,713,639	236,895,908	15,516,481	175,381,761
Tax rate	20%	20%	20%	20%
The result of the account profit multiplied by the income tax rate - expenses	(3,342,728)	(47,379,182)	(3,103,296)	(35,076,352)
Tax effect of the non-deductible income and expense	24,934,002	37,282,291	998,078	29,075,818
Effect of the temporary difference not recognized as deferred tax assets	(158,155)	13,795,016	(158,155)	13,795,016
Effect of tax loss carried forward not recognized as deferred tax assets	1,298,990	(8,817,675)	1,298,990	(8,817,675)
Deferred tax relating to the deductible of temporary difference	(5,864,220)	(8,841,347)	-	-
Use of tax loss carry forward (unused tax)	(23,707,872)	4,084,946	-	-
Income tax - expenses (see Note 12)	<u>(6,839,983)</u>	<u>(9,875,951)</u>	<u>(964,383)</u>	<u>(1,023,193)</u>

30. RELATED PARTY TRANSACTIONS

The Company and its subsidiary have significant business transactions with related persons and companies that related by way of common shareholders and/or common directors. The Company's management believes that the pricing policy the Company charged to related parties were the arm's length price applied in the normal course of business. These transactions can be summarized as follows:

Balances with related parties as at December 31, 2017 and 2016 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Subsidiaries				
Solaris Asset Management Co., Ltd.				
Investment in subsidiary (see Note 9)	-	-	-	98,832,285
Investment in private fund managed by subsidiary	-	57,258,259	-	57,258,259
Investment in debt securities - Bill of exchange	-	-	54,367,504	-
Accrued private fund management fee expenses	-	-	-	25,805
Lumpini Asset Management Co., Ltd.				
Investment in subsidiary (see Note 9)	-	-	25,000,000	25,000,000
Associates				
KT ZMICO Securities Co., Ltd.				
Investment in associate (see Note 9)	1,355,344,483	1,377,157,471	1,244,095,520	1,244,095,520
Cash balance for securities trading	3,194,347	9,790,951	3,194,347	9,790,951
Other receivables	-	2,500	-	2,500
Other payables	351,834	611,823	351,834	611,823
Scentimental (Thailand) Co., Ltd.				
Investment in associate (see Note 9)	14,160,569	-	13,800,000	-
Investment in debt securities - Bill of Exchange	52,264,684	-	52,264,684	-
Absolute Yoga Co., Ltd.				
Investment in associate (see Note 9)	210,839,172	-	217,800,000	-
Related companies				
Under common directors				
Thanh Cong Securities Joint Stock Company				
Investment in ordinary shares - net	85,317,444	104,796,263	85,317,444	104,796,263
KTZ Ruby Hill Securities Co., Ltd.				
Advance payment for investment in Myanmar	48,771,900	53,488,200	48,771,900	53,488,200
Thai Foods Group Plc.				
Investment in ordinary shares	214,633,980	281,818,320	214,633,980	281,818,320

Significant transactions with related parties for the years ended December 31, 2017 and 2016 are as follows:

	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	For the years ended		For the years ended		
	December 31,		December 31,		
	2017	2016	2017	2016	
	Baht	Baht	Baht	Baht	
Subsidiaries					
Solaris Asset Management Co., Ltd.					
Management fee of private fund	-	-	245,281	311,358	At the rate determined under the contract 0.2% of net asset value per year
Interest received from Bill of exchange	-	-	6,157,634	-	At the rate determined under the contract
Investment in Bill of exchange	-	-	430,000,000	-	Investment value
Withdrawal from Bill of exchange	-	-	350,000,000	-	Investment value
Lumpini Asset Management Co., Ltd.					
Rental income	-	-	264,600	176,400	At the rate determined under the contract of Baht 22,050 per month
Associates					
KT ZMICO Securities Co., Ltd.					
Dividend received	-	-	-	137,817,712	2016: 128,801,600 Share 1.07 baht/Share
Research fee	3,000,000	3,000,000	3,000,000	3,000,000	At the rate determined under the contract of Baht 250,000 per month (see Note 31.3)
Service expenses	4,413,750	3,630,000	4,413,750	3,630,000	At the rate determined under the contract (see Note 31.1)
Other fee expenses	2,247,477	1,166,124	2,247,477	1,166,124	At the rate determined under the contract
Beacon Offshore Ltd.					
Interest received from Bill of exchange	-	542,239	-	542,239	At the rate determined under the contract
Investment in Bill of exchange	-	35,040,026	-	35,040,026	Investment value
Withdrawal from Bill of exchange	-	52,772,402	-	52,772,402	Investment value
Scentimental (Thailand) Co., Ltd.					
Interest received from Bill of exchange	2,845,938	-	2,845,938	-	At the rate determined under the contract
Investment in Bill of exchange	80,843,582	-	80,843,582	-	Investment value
Withdrawal from Bill of exchange	57,154,062	-	57,154,062	-	Investment value
Related companies					
Under joint control					
Phra Kanong Lang Co., Ltd.					
Interest income from Bill of Exchange	-	27,154,050	-	27,154,050	At the rate determined under the contract
Investment in Bill of exchange	-	490,327,781	-	490,327,781	Investment value
Withdrawal from Bill of exchange	-	969,129,334	-	969,129,334	Investment value
Related with subsidiary and associate					
Selling agent fee expense	737	1,692,771	737	1,692,771	At the rate determined under the contract
Service fee expenses	799,200	799,200	799,200	799,200	At the rate determined under the contract of Baht 66,600 per month
Commission expense for securities trading	25,495	5,826	25,495	5,826	At the rate determined under the contract

For the years ended December 31, 2017 and 2016, compensations paid to key management personnel under TAS 24 (Revised 2016) “Related Party Disclosures” are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Short-term employee benefits	7,413,993	7,123,772	3,904,843	3,767,460
Post-employment benefits	835,292	729,008	687,432	610,913
Total	<u>8,249,285</u>	<u>7,852,780</u>	<u>4,592,275</u>	<u>4,378,373</u>

31. COMMITMENTS

Transactions with related parties

31.1 On May 28, 2009, the Company entered into the agreement with KT ZMICO Securities Co., Ltd. for management service of accounting, operating, information technology including information system development and technical support, compliance, human resource management, general support and general management. The term of agreement is one year and will be automatically extended one year by payment in amount of Baht 150,000 per month unless either party notifies another party for the cancellation in written at least 30 days before the expiry date of the agreement in each time. Subsequently, on June 1, 2014, the Company made the agreement to change the fee to Baht 197,500 per month from June 1, 2014 to May 31, 2015. The agreement is automatically extended on an annual basis. Subsequently, on July 3, 2017, the Company made the agreement to change the fee to be Baht 60,000 per month from July 3, 2017 to June 30, 2018. The agreement is automatically extended on an annual basis.

On June 30, 2016, the Company entered into agreement with KT ZMICO Securities Company Limited for providing management service of operating. The term of agreement is one year. The term of agreement is from July 1, 2016 to June 30, 2017. The agreement is automatically extended for three months each, unless by earlier mutual termination of which the Company pays monthly fee and the rate of Baht 210,000. Subsequently, on September 29, 2017, the Company made the agreement to change the fee to be Baht 230,000 per month from October 1, 2017 to September 30, 2018. The agreement is automatically extended on an annual basis unless either party notifies another party for the cancellation in written at least 7 days before the expiry date of the agreement in each time.

31.2 On October 17, 2012, the Company entered into an agreement with Solaris Asset Management Co., Ltd. which is subsidiary company. The subsidiary will manage the Company’s fund for one year. Contract, which will be expired on October 17, 2013, is automatically renewed for another year. Under the agreement, the Company agreed to pay a management fee at rated of 0.2 percent per annum of the net asset value of the fund. However, on November 29, 2017, the Company cancelled the agreement.

- 31.3 On May 1, 2013, the Company entered into agreement with KT ZMICO Securities Company Limited for providing various research papers of offshore. The term of agreement is 2 years and will be expired on April 30, 2015. The agreement is automatically extended for one year each, unless by earlier mutual termination. The Company receives a monthly fee of Baht 250,000.
- 31.4 On January 12, 2016, the Company entered into an agreement with KTZ Ruby Hill Securities Company Limited. Such company shall act as the investment advisory, Brokerage and Dealing to the Company for the purpose of the securities trade in both Yangon Stock Exchange or YSX and OTC market. The term of agreement is 2 years and can be extended if it is agreed by both parties. The Company agreed to pay fees at rated determined under the agreement.

Transactions with other business parties

- 31.5 As at December 31, 2017 and 2016, the Company and its subsidiary have the following outstanding rental and service commitments under long-term lease agreements for its office building and equipment.

	(Unit: Million Baht)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Within 1 year	3.4	3.4	2.3	2.3
Over 1 year to 5 years	0.3	3.7	0.2	2.5
Total	<u>3.7</u>	<u>7.1</u>	<u>2.5</u>	<u>4.8</u>

32. BUSINESS/GEOGRAPHICAL SEGMENT INFORMATION

Business segment information of the Company and its subsidiary for the years ended December 31, 2017 and 2016 are as follows:

	(Unit: Thousand Baht)				
	For the year ended December 31, 2017				
	Securities segment	Asset Management Segment	Investment And others Segment	Elimination of inter-segment revenues	Consolidated Financial Statement
Revenue from external customers	1,584	27,379	115,082	-	144,045
Inter - segment revenues	-	-	-	-	-
Total revenues	<u>1,584</u>	<u>27,379</u>	<u>115,082</u>	<u>-</u>	<u>144,045</u>
Segment income (loss)	1,584	(22,981)	115,082	-	93,685
Unallocated income and expenses :					
Gain on transfer of business to the associated company					57
Other income					4,037
Servicing and administrative expenses					(81,065)
Income tax - expenses					(6,840)
Net income					<u>9,874</u>

(Unit: Thousand Baht)

For the year ended December 31, 2016

	Securities segment	Asset Management Segment	Investment And others Segment	Elimination of inter-segment revenues	Consolidated Financial Statement
Revenue from external customers	187,801	103,541	109,068	-	400,410
Inter - segment revenues	-	-	-	-	-
Total revenues	187,801	103,541	109,068	-	400,410
Segment income	187,801	18,269	109,068	-	315,138
Unallocated income and expenses :					
Gain on transfer of business to the associated company					57
Other income					4,856
Servicing and administrative expenses					(83,155)
Income tax - expenses					(9,876)
Net income					227,020

Assets classified by segment of the Company as at December 31, 2017 and 2016 were presented as follows:

(Unit: Thousand Baht)

	Securities segment	Assets Management segment	Investment and others segment	Non-Performing Assets Management segment	Unallocated assets	Consolidated Financial statement
Assets by segment						
As at December 31, 2017	1,355,344	60,067	1,390,129	24,537	382,039	3,212,116
As at December 31, 2016	1,381,979	109,191	1,481,978	24,613	341,318	3,339,079

33. RISK MANAGEMENT

33.1 Liquidity risk

The Company

Under the Notification of the Office of the Securities and Exchange Commission No. Kor Thor. 18/2549 regarding “Net Liquid Capital Ratio - NCR”, securities company is required to maintain its net liquid capital at the end of working day not less than Baht 15 million and not less than 7% of general liabilities.

The Company was granted securities business licenses of derivatives agent under the Derivative Act. The Company has to maintain its net liquid capital at the end of working day at least Baht 25 million and at least 7% of general liabilities and assets held as collateral except in case the Company discontinued its derivatives agent business and notified to the Office of the Securities and Exchange Commission, the Company has to maintain its net liquid capital as mentioned in the above paragraph.

Additionally, in accordance with the regulation of Thailand Clearing House Co., Ltd. (“TCH”) chapter 300 “Ordinary Members” regarding the “Qualification of Membership”, the Ordinary Membership is required to have owners’ equity at least Baht 100 million for membership operating especially in derivatives business.

However, as at December 31, 2017 and 2016, the Company is not required to maintain its net liquid capital and equity per those requirements as it was granted by the Office of the Securities and Exchange Commission to temporarily cease its operation on securities and derivative businesses (see Note No.1).

Since May 2, 2013, the Company was approved to reactivate its investment advisory service, the Company is required to maintain its net liquid capital according to the Notification of the Securities and Exchange Commission No. Kor Thor. 4/2557 regarding “Ongoing capital adequacy of some specific intermediaries”.

However, as at December 31, 2017, the Company is able to maintain its net liquid capital more than the condition.

Subsidiary

Under the Notification of the Office of the Securities and Exchange Commission No. KorNor. 20/2552, regarding “The Capital Adequacy of Management Company”, the asset management company has to maintain owners’ equity at least Baht 20 million for mutual fund management business, at least Baht 20 million for private fund management business with provident fund and at least Baht 10 million for private fund management business without provident fund management. Under the Notification of the Office of the Securities and Exchange Commission No. ThorNor. 42/2552, regarding “The Responsibility Insurance of Management Company and the Notification for Capital Adequacy of Management Company”, the warning level at Baht 30 million for mutual fund management business, the warning level at Baht 30 million for private fund management business with provident fund and the warning level at Baht 15 million for private fund management business without provident fund management. In case the Company cannot maintain the capital adequacy over the warning level, the Company has to report to the Office of the Securities and Exchange Commission including the plan to recover its owners’ equity to the warning level.

As at December 31, 2017, Solaris has capital deficit amounting to Baht 25.63 million, which is less than the specified warning level. Solaris has reported to the Office of the Securities and Exchange Commission (“SEC”). Therefore, on February 20, 2018, the board of directors’ meeting of Solaris passed a resolution to request the management to report to the Office of the Securities and Exchange Commission for the matter that the owners’ equity lower than warning level at Baht 30 million. Therefore, Solaris’s operation in the future will be depended on the guideline which the Office of the Securities and Exchange Commission will send a notification to Solaris in the next step (see Notes 1 and 19).

The periods of time from the end of reporting period to the maturity dates of financial instruments as of December 31, 2017 and 2016 are as follows:

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2017

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	330	-	-	-	-	-	330
Securities business receivables	-	-	-	-	-	63	63
Investments	-	623	16	11	513	-	1,163
Total	330	623	16	11	513	63	1,556
Financial liabilities							
Other borrowing	-	676	-	-	-	-	676
Total	-	676	-	-	-	-	676

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	376	-	-	-	-	-	376
Securities business receivables	-	4	-	-	-	63	67
Investments	-	776	16	11	679	-	1,482
Total	376	780	16	11	679	63	1,925
Financial liabilities							
Securities business payable	-	4	-	-	-	-	4
Other borrowing	-	468	-	-	-	-	468
Total	-	472	-	-	-	-	472

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS
As at December 31, 2017

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	313	-	-	-	-	-	313
Securities business receivables	-	-	-	-	-	63	63
Investments	-	639	16	11	513	-	1,179
Total	313	639	16	11	513	63	1,555
Financial liabilities							
Other borrowing	-	676	-	-	-	-	676
Total	-	676	-	-	-	-	676

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December, 2016

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non-	Total
						performing receivables	
Financial assets							
Cash and cash equivalents	349	-	-	-	-	-	349
Securities business receivables	-	4	-	-	-	63	67
Investments - net	-	703	16	11	671	-	1,401
Total	349	707	16	11	671	63	1,817
Financial liabilities							
Securities business payable	-	4	-	-	-	-	4
Other borrowing	-	468	-	-	-	-	468
Total	-	472	-	-	-	-	472

33.2 Significant financial instruments risk

As at December 31, 2017 and 2016, the Company and its subsidiary have not speculated in or engaged in trading of any off-financial position financial derivatives instruments.

33.2.1 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates and it will affect the operation results of the Company and its subsidiary and their cash flows:

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

Outstanding balances of net financial instruments

Reprising or maturity dates

	Floating interest rate	Reprising or maturity dates					No interest	Total	Interest rate (Percent)	
		Within At call	Within 1 year	Over 1-5 years	Over 5 years	Non- performing receivables			Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	312	-	-	-	-	-	18	330	0.375 - 1.10	-
Securities business receivables	-	-	-	-	-	63	-	63	-	-
Investments	-	-	623	16	11	-	513	1,163	-	1.50
Total	312	-	623	16	11	63	531	1,556		
Financial liabilities										
Other borrowing	-	-	676	-	-	-	-	676	-	3.90 - 4.00
Total	-	-	676	-	-	-	-	676		

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

Outstanding balances of net financial instruments

Repricing or maturity dates

	Floating interest rate	Repricing or maturity dates					No interest	Total	Interest rate (Percent)	
		At call	Within 1 year	1-5 years	Over 5 years	Non- performing receivables			Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	339	-	-	-	-	-	37	376	0.375 - 1.15	-
Securities business receivables	-	-	4	-	-	63	-	67	-	-
Investments	-	-	776	16	11	-	679	1,482	-	2.25 - 13.00
Total	339	-	780	16	11	63	716	1,925		
Financial liabilities										
Securities business payable	-	-	4	-	-	-	-	4	-	-
Other borrowing	-	-	468	-	-	-	-	468	-	3.45 - 3.60
Total	-	-	472	-	-	-	-	472		

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2017

Outstanding balances of net financial instruments

Repricing or maturity dates

	Floating interest rate	Repricing or maturity dates					No interest	Total	Interest rate (Percent)	
		At call	Within 1 year	1-5 years	Over 5 years	Non- performing receivables			Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	296	-	-	-	-	-	17	313	0.375 - 1.10	-
Securities business receivables	-	-	-	-	-	63	-	63	-	-
Investments	-	-	639	16	11	-	513	1,179	-	-
Total	296	-	639	16	11	63	530	1,555		
Financial liabilities										
Other borrowing	-	-	676	-	-	-	-	676	-	3.90 - 4.00
Total	-	-	676	-	-	-	-	676		

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2016

Outstanding balances of net financial instruments

Repricing or maturity dates

	Floating interest rate	Repricing or maturity dates					No interest	Total	Interest rate (Percent)	
		At call	Within 1 year	1-5 years	Over 5 years	Non- performing receivables			Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	326	-	-	-	-	-	23	349	0.375 - 1.15	-
Securities business receivables	-	-	4	-	-	63	-	67	-	-
Investments	-	-	703	16	11	-	671	1,401	-	13.00
Total	326	-	707	16	11	63	694	1,817		
Financial liabilities										
Securities business payable	-	-	4	-	-	-	-	4	-	-
Other borrowing	-	-	468	-	-	-	-	468	-	3.45 - 3.60
Total	-	-	472	-	-	-	-	472		

The average yield on average financial asset balances for interests bearing financial instruments are presented in the following table:

(Unit : Baht)			
CONSOLIDATED FINANCIAL STATEMENTS			
As at December 31, 2017			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	375,508,879	3,432,646	0.91
Investment in debt securities	802,300,389	64,151,760	8.00
Held-to-maturity investment	43,738,769	3,056,685	6.99
Financial liabilities			
Other borrowing	810,000,000	29,533,090	3.65
(Unit : Baht)			
CONSOLIDATED FINANCIAL STATEMENTS			
As at December 31, 2016			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	294,386,159	2,822,586	0.96
Investment in debt securities	835,448,897	75,064,403	8.98
Held-to-maturity investment	98,275,061	7,000,131	7.12
Financial liabilities			
Other borrowing	628,833,333	22,290,259	3.55
(Unit : Baht)			
SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2017			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	347,996,312	3,346,951	0.96
Investment in debt securities	762,766,204	63,911,838	8.38
Held-to-maturity investment	20,622,162	2,645,644	12.83
Financial liabilities			
Other borrowing	810,000,000	29,533,090	3.65
(Unit : Baht)			
SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2016			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	242,317,397	2,559,407	1.06
Investment in debt securities	835,448,897	75,064,403	8.98
Held-to-maturity investment	50,398,697	6,423,368	12.75
Financial liabilities			
Other borrowing	628,333,333	22,290,259	3.55

33.2.2 Credit risk

Credit risk is the risk that the party to a financial instrument will fail to fulfill an obligation causing the Company and its subsidiary to incur a financial loss. The financial assets of the Company and its subsidiary are not subject to significant concentration of credit risk. The maximum credit risk exposure is the carrying amount of the financial assets, less provision for losses, as stated in the statements of financial position.

33.2.3 Foreign exchange risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company expects that there may be an effect from changes in exchange rates resulting from a portion of assets in foreign currencies which are not hedged.

As at December 31, 2017, the Company had unhedged foreign currency - denominated assets as follows:

Asset	Foreign currency	Amount (Unit: thousand)	Exchange rate (Baht per foreign exchange rate) as at December 31, 2017
Ordinary shares			
EDL-GEN	Lao People's Democratic Republic LAK	8,322,693	0.0039
DBC	Vietnamese VND	6,287,378	0.0014
AMC III	United States USD	550	32.4342

33.2.4 Market situation risk

The Company's exposure to market situation risk is the risk that volatility on the Stock Exchange of Thailand and The Thailand Futures Exchange will substantially reduce the value of the Company's investments. However, the Company manages such risk at acceptable levels through risk management policies as well as a risk monitoring function.

33.2.5 Fair value

The fair value disclosures, considerable judgement is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented here in is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair values of financial instruments.

33.2.5.1 Certain financial assets and financial liabilities of the Company are measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

(Unit : Baht)

Financial assets/ Financial liabilities	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	CONSOLIDATED FINANCIAL STATEMENTS			
	December 31, 2017	December 31, 2016		
<u>Financial Assets</u>				
Investments - Net				
Trading securities				
Listed securities	245,972,314	90,274,004	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange
Debt securities - Corporate bond	27,024,289	26,824,556	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Debt securities - Bill of exchange	599,810,912	702,906,321	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Available-for-sale securities				
Equity securities	4,425,246	288,327,412	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange

(Unit : Baht)

Financial assets/ Financial liabilities	SEPARATE FINANCIAL STATEMENTS		Fair value hierarchy	Valuation techniques and key inputs
	Fair value December 31, 2017	Fair value December 31, 2016		
<u>Financial Assets</u>				
Investments - Net				
Trading securities				
Listed securities	245,972,314	82,339,254	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange
Debt securities - Corporate bond	27,024,289	26,824,556	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Debt securities - Bill of exchange	638,866,087	653,130,918	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Available-for-sale securities				
Equity securities	4,425,246	288,327,412	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange

33.2.5.2 Financial instruments not measured at fair value

Fair value of financial instruments which are not measured at fair value and their fair value hierarchy level classification is summarized as follows:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		Fair value hierarchy	Valuation techniques and key inputs
	As at December 31, 2017			
	Carrying Amount Baht	Fair Value Baht		
<u>Financial assets</u>				
Cash and cash equivalents	330,321,430	330,321,430	3	Net present value of expected cash inflow
Held to-maturity investments	23,191,912	23,191,912	3	Net present value of expected cash inflow
General Investment Equity securities	262,526,202	262,526,202	3	Net asset value of invested company
<u>Financial liabilities</u>				
Other Borrowing Bill of Exchange	675,908,797	675,908,797	3	Net present value of expected cash outflow

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS				
	As at December 31, 2016		Fair value hierarchy	Valuation techniques and key inputs
	Carrying Amount	Fair Value		
	Baht	Baht		
<u>Financial assets</u>				
Cash and cash equivalents	376,365,581	376,365,581	3	Net present value of expected cash inflow
Securities and derivatives business receivables	4,821,854	4,821,854	3	Net present value of expected cash inflow
Held to-maturity investments	73,356,186	75,916,038	3	Net present value of expected cash inflow
General Investment Equity securities	300,289,731	300,289,731	3	Net asset value of invested company
<u>Financial liabilities</u>				
Loan from financial institutions	467,778,822	467,778,822	3	Net present value of expected cash outflow
Securities and derivatives business payables	4,125,256	4,125,256	3	Net present value of expected cash outflow

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS				
	As at December 31, 2017		Fair value hierarchy	Valuation techniques and key inputs
	Carrying Amount	Fair Value		
	Baht	Baht		
<u>Financial assets</u>				
Cash and cash equivalents	312,718,240	312,718,240	3	Net present value of expected cash inflow
General Investment Equity securities	262,526,202	262,526,202	3	Net asset value of invested company
<u>Financial liabilities</u>				
Other Borrowing Bill of exchange	675,908,797	675,908,797	3	Net present value of expected cash outflow

(Unit : Baht)

	SEPARATE FINANCIAL STATEMENTS		Fair value hierarchy	Valuation techniques and key inputs
	As at December 31, 2016			
	Carrying Amount	Fair Value		
	Baht	Baht		
<u>Financial assets</u>				
Cash and cash equivalents	348,668,156	348,668,156	3	Net present value of expected cash inflow
Securities and derivatives business receivables	4,821,854	4,821,854	3	Net present value of expected cash inflow
Held to-maturity investments	50,356,186	52,916,038	3	Net present value of expected cash inflow
General Investment Equity securities	300,289,731	300,289,731	3	Net asset value of invested
<u>Financial liabilities</u>				
Loan from financial institutions	467,778,822	467,778,822	3	Net present value of expected cash outflow
Securities and derivatives business payables	4,125,256	4,125,256	3	Net present value of expected cash outflow

34. TRANSFER OF BUSINESS

On May 1, 2009, the Company transferred its business and margin loan accounts to KT ZMICO Securities Co., Ltd., an associated company, in accordance with a partnership plan to develop securities business with Krung Thai Bank Plc.. The Company received returns from the transfer of business in the total amount of Baht 500 million. At the end of year 2011, the Company recognized the entire amount of consideration from the transfer of business of Baht 500 million as the associated company was able to generate 3-year cumulative EBITDA from 2009 - 2011 according to the criteria specified in the agreement.

The Company recognized such gain on transfer of business to an associated company as income in the consolidated financial statements according to the shareholding percentage of the third parties in the associated company. The remaining amount was presented as “unrealized gain on transfer of business to an associated company”. The Company will realize such “unrealized gain on transfer of business to an associated company” as income when the Company has lower percentage of shareholding in the associated company and when the associated company calculates depreciation or sells such transferred assets to the third parties.

For the years ended December 31, 2017 and 2016, the Company recognized additional gain on transfer of business to the associated company of Baht 0.06 million.

As at December 31, 2017 and 2016 the remaining amount unrealized gain on transfer of business to an associated company were Baht 148.28 million and Baht 148.34 million, respectively.

35. EVENT AFTER THE REPORTING PERIOD

- 35.1 On February 20, 2018, the board of directors' meeting of Solaris passed a resolution to request the management to report to the Office of the Securities and Exchange Commission for the matter that the owners' equity lower than warning level at Baht 30 million. Therefore, Solaris's operation in the future will be depended on the guideline which the Office of the Securities and Exchange Commission will send a notification to Solaris in the next step.
- 35.2 On February 22, 2018, the Board of Directors' meeting approved the resolutions regarding the payment of dividend for the year 2017 from retained earnings at the rate of Baht 0.05 per share. The dividend will be paid on May 15, 2018. The dividend payment is subject to the Annual General Meeting of the Shareholders approval.

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the audit committee and authorized director of the Company on February 22, 2018.

SEAMICO

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Seamico Securities Public Company Limited

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